NEVIS BRANDS INC.

(FORMERLY PASCAL BIOSCIENCES INC.)

Listing on the CSE and Close balance of a $2,000,000 Private Placement

VANCOUVER, BRITISH COLUMBIA, July 6, 2023- Nevis Brands Inc. ("**Nevis**" or the "**Company**") (OTC:PSCBF) (FSE: 6PB-FF): Nevis is pleased to advise that its common shares ("Shares") are listed on the CSE today. The second tranche of the previously announced $2,000,000 private placement closed with the issue of 4,805,000 shares of the Company ("Shares") at a deemed price of $0.10 per Share. 2,402,500 Share purchase warrants ("Warrants") were issued to the subscribers to the private placement to acquire 2,402,500 additional Shares, exercisable for one year at a price of $0.20 per Share. A finder's fee of $32,235 was paid and the finder was issued 230,250 Warrants on the same terms as the private placement Warrants. This completes the balance of the reorganization of the Company announced on December 9, 2022.

All Shares have a hold period expiring November 7, 2023

The Company's CSE form 2A dated June 30, 2023 attached to this news release provides the details of the Reorganization.

On Behalf of the Board of Directors
John Kueber

About Nevis Brands Inc.
Based in Seattle, WA, Nevis innovates and develops cannabis products that have been consumed by millions of consumers across multiple markets in the United States. Led by our flagship brand Major(TM) (www.drinkmajor.com) Nevis partners with leading cannabis product manufacturers and distributors to enhance their product offerings by providing popular, proven brands in their respective territories.

For additional information contact: John Kueber, CEO, 425-380-2151 –
E-mail: john@nevisbrands.com

Forward-Looking Statements
DISCLAIMER
Certain statements in this press release contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 or forward-looking information under applicable Canadian securities legislation that may not be based on historical fact, including without limitation statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect" and similar expressions. Such forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause our actual results, events or developments, or industry results, to be materially different from any future results, events or developments express or implied by such forward-looking statements or information. Such factors include, among others, our stage of development, lack of

any product revenues, additional capital requirements, risk associated with the completion of clinical trials and obtaining regulatory approval to market our products, the ability to protect our intellectual property, dependence on collaborative partners and the prospects for negotiating additional corporate collaborations or licensing arrangements and their timing. Specifically, certain risks and uncertainties that could cause such actual events or results expressed or implied by such forward-looking statements and information to differ materially from any future events or results expressed or implied by such statements and information include, but are not limited to, the risks and uncertainties that: products that we develop may not succeed in preclinical or clinical trials, or future products in our targeted corporate objectives; our future operating results are uncertain and likely to fluctuate; we may not be able to raise additional capital; we may not be successful in establishing additional corporate collaborations or licensing arrangements; we may not be able to establish marketing and the costs of launching our products may be greater than anticipated; we have no experience in commercial manufacturing; we may face unknown risks related to intellectual property matters; we face increased competition from pharmaceutical and biotechnology companies; and other factors as described in detail in our filings with the Canadian securities regulatory authorities at www.sedar.com. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements and information, which are qualified in their entirety by this cautionary statement. All forward-looking statements and information made herein are based on our current expectations and we undertake no obligation to revise or update such forward- looking statements and information to reflect subsequent events or circumstances, except as required by law.

NEVIS BRANDS INC.
(formerly Pascal Biosciences Inc.)

CSE FORM 2A

LISTING STATEMENT

Date: June 30, 2023

TABLE OF CONTENTS

GLOSSARY

"**APA**" or "**Asset Purchase Agreement**" means the asset purchase agreement between SoRSE as seller and the Company as buyer for the sale of the assets of THC Essentials to the Company by SoRSE dated February 11, 2023 as amended on June 8, 2023.

"**BCBCA**" means the British Columbia Business Corporations Act.

"Cannabis" means the psychoactive dried flower buds, leaves, or other parts of the cannabis plant, including distillate derived from the extraction of cannabis oil.

"Company" means Nevis Brands Inc. (formerly Pascal Biosciences Inc.)

"**CSE**" means the Canadian Securities Exchange.

"**CSE Listing Date**" means the date the Company's Shares are listed on the CSE.

"**Emulsion Technology**" means SoRSE's Emulsion Technology, which is a proprietary, patent-pending emulsion technology that transforms oil into a water-compatible form for use in beverages, edibles, tinctures, and topicals. It converts a Licensee's THC Distillate to a water-soluble solution that is added to the Licensed Products.

"**License**" means a license granted by SoRSE to beverage manufacturers and distributors.

"**Licensed Know-How**" means all technical information, trade secrets, recipes, formulas, specifications, procedures, techniques, etc. required for the production of the Licensed Products.

"**Licensed Products**" means beverages manufactured using the Licensed Know-How.

"**Licensee**" means an entity that has been granted a License.

"**Nevis U.S**." means Nevis Brands U.S. Inc., the wholly owned U.S. subsidiary of the Company.

"**Reporting Issuer**" means a company that is subject to the reporting requirements of the securities commission where it is listed as a reporting issuer. Currently, it is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario.

"**Services Agreement**" means the services agreement between the Company and SoRSE, attached as Schedule H-1 to the APA.

"**Shares**" means the common shares of the Company.

"**SoRSE**" means SoRSE Technology Corporation.

"**State**" means a state of the United States of America.

"**State Marijuana Rules**" means the laws of a State relating to the possession, production, manufacturing, distribution, and commercial sale of Cannabis.

"THC" means tetrahydrocannabinol, the substance primarily responsible for the effects of marijuana on a person's mental state.

"**Trademark**" means the THC Essentials Trademarks.

"**TSX.V**" means the TSX Venture Exchange.

"**US**" means the United States of America.

"**Warrant**" means a Share purchase warrant to purchase one additional Share of the Company.

SUMMARY

The following is a summary of the principal features of this Listing Statement and should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Statement. Certain capitalized terms used in this summary are defined under "Glossary."

The Company:

The Company was incorporated pursuant to the BCBCA on January 28, 2011, as MC Partners Inc. and was listed as a capital pool company, as defined by Policy 2.4 - *Capital Pool Companies* (the "**CPC Policy**") of the TSX Venture Exchange (the "**TSX.V**"), in May 2012. On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc., a private company that was formed to commercially exploit a number of patents and patent applications relating to certain medical technologies. The acquisition constituted the Company's "Qualifying Transaction" under the CPC Policy. On May 22, 2013, the Company changed its name to "bioMmune Technologies Inc." On March 30, 2017, the Company changed its name to Pascal Biosciences Inc. On June 12, 2023 the Company changed the name to Nevis Brands Inc.

The Company's wholly owned subsidiary is Nevis Brands U.S. Inc. ("Nevis **U.S.**") (formerly Pascal U.S. Inc.)., It was incorporated on March 27, 2017, under the *Washington Business Corporations Act* and operated a research lab in Seattle, Washington until it closed in November 2021.

On November 22, 2022, the Company signed a term sheet dated November 22, 2022, with SoRSE to acquire the assets of its operating business called THC Essentials, which includes the Licenses to beverage manufacturers, licensed in their respective states of the US to manufacture and sell THC beverages.

On December 6, 2022, the Company was advised by the TSX.V that it would not accept the acquisition of THC Essentials because it would not comply with the TSX.V cannabis policy.

The Company signed the Asset Purchase Agreement with SoRSE dated February 10, 2023. It was amended several times to extend the Closing Date with a final amendment dated June 8, 2023 to extend the Closing Date to June 30, 2023.

The Shares were delisted from the TSX.V at the close of trading on May 23, 2023.

The Company has received conditional acceptance to list on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE, including, without limitation, the distribution of the Shares to a minimum number of public shareholders and the Company meeting certain financial and other requirements.

The Company is a reporting issuer in each of the provinces of British Columbia, Alberta, and Ontario.

Reorg-anization

The Company has undertaken a reorganization involving:

(i) Delisting from the TSX.V which took place on May 23, 2023;
(ii) Listing on the CSE;
(iii) A name change and consolidation of its Shares on a ratio of one new Share for five old Shares took place on June 12, 2023;
(iv) The issue of Shares for debt;
(v) A payment plan with creditors;
(vi) A change of directors and a new CEO which took place on June 12, 2023;
(vii) A private placement of $2,000,000 by the issued of 20,000,000 Shares and Warrants (the "Private Placement") ; and

(viii) A Change of Business by the acquisition of the assets of THC Essentials which closed on June 30, 2023.

collectively (the "Reorganization") to be completed on the Listing Date.

On June 30, 2023 the shares for debt were issued, the acquisition of THC Essentials and $1,519,500 of the Private Placement closed. The balance of $460,500 is scheduled to close on the Listing Date.

The Company obtained the approval of the Reorganization on May 11, 2023 from shareholders (excluding officer and directors) holding 36,957,501 Shares, representing 56.34% of the issued Shares.

Change of Business: Acquisition of the assets of THC Essentials is a critical part of the Reorganization described below.

An Asset Purchase Agreement ("APA") was signed on February 11, 2023, between SoRSE and the Company, to acquire from SoRSE the assets of the operating business called THC Essentials (the "*THC Essentials Acquisition*") for a purchase price of U.S. $1,125,000 and the issue of 3,555,000 Shares. It was amended several times to extend the Closing Date, with a final amendment on June 8, 2023 to extend the closing date to June 30, 2023 and to increase the number of Shares issued to SoRSE from 3,555,000 to 3,775,000. The acquisition closed on June 30, 2023. The APA is posted on the Company's profile at www.Sedar.com.

The assets being acquired are:

(i) The name "THC Essentials" and the following trademarks: Major, Happy Apple, Pearl, Utopia, Atomic Apple, Vertus, Velvet Swing and Velvet Kiss;

(ii) Product formulas, designs, and recipes sold under the trademarks and brands;

(iii) Assignment of all licenses and royalty agreements and associated royalty revenue from the sale of beverages infused with SoRSE's Emulsion Technology by SorSE licensees in Washington, Oregon, California, Arizona, Colorado, and Ohio; and

(iv) All remaining inventory and equipment. The equipment is a basic bottle-filling machine and a machine to heat the labels and shrink-wrap the labels around the bottles. It is currently in a client's bottling plant in Portland, Oregon. The equipment is loaned to clients to help new clients get started with the manufacturer of the Licensed Products

The assets of THC Essentials being acquired from SoRSE exclude SoRSE's Emulsion Technology.

The purchase price is U.S. $1,125,000, of which U.S. $625,000 was paid on June 30, 2023 and the balance of U.S. $500,000 is payable 12 months from the Closing Date. On June 30, 2023 SoRSE was issued 3,775,000 consolidated Shares at a deemed price of $0.10 per Share, equal to 9.90% of the aggregate issued shares on Closing. The Company was required to raise $1,500,000 at Closing from which the US $625,000 will be paid.

Specifics of the APA:

(i) Promissory Note: Interest: On June 30, 2023, the Company and Nevis U.S. signed a promissory note for the outstanding balance of the purchase price of U.S.$500,000, payable 12 months from the closing of the APA. Interest of 7.5% per annum will be paid and due 13 months from the Closing of the APA. The promissory note is secured by a security agreement over the assets of the Company that has been signed by the Company and Nevis U.S. In the event of a default by the Company, the U.S.$500,000 plus interest will be immediately due and payable.

Incidents of default are: a sale of substantially all of the Company's assets, the Shares being delisted from the CSE, a failure to meet continuous disclosure obligations, collection or enforcement proceedings, commencement of litigation against the Company exceeding U.S.$250,000, commencement of bankruptcy, winding up or dissolution proceedings, or assumption of or incurring

debt greater than or in seniority to the U.S.$500,000. In the event of a default, the interest rate increases to 15% per annum.

(ii) On Closing, the Company and Nevis U.S. signed a security agreement providing a first charge in favour of SoRSE over the assets of the Company.

(iii) Anti-dilution: In the event that the Company issues Shares at a price of less than CAD$0.05 per Share in the first year following Closing, the Company will issue Shares to SoRSE in an amount sufficient to provide SoRSE a 9.9% shareholding in the issued Shares.

(iv) Indemnity: Each of the Company and SoRSE agree to indemnify the other from any claims, lawsuits, losses, liabilities, or litigation expenses arising from a breach of the APA.

Services Agreement
The Company and SoRSE signed a three-year Services Agreement to be effective at the Closing of the APA. SoRSE has agreed to sell its Emulsion Technology to the Company on a non-exclusive basis.

Specifics of the Services Agreement:

(i) The Company can only purchase emulsion technology from SoRSE. SoRSE can reject an order but is required to use commercially reasonable efforts to accept all purchase orders.

(ii) SoRSE has agreed to not increase the price of its Emulsion Technology for one year to any Licensee that is active as at the Closing Date. Thereafter, the price is subject to change.

(iii) Termination would result from a breach of the Services Agreement, a party becoming insolvent or subject to bankruptcy proceedings, a violation of any State Marijuana Regulations, or failure by the Company to pay two or more consecutive purchase orders. Each party will indemnify the other for any claims, lawsuits, losses, liabilities, or litigation expenses arising from a breach of the Services Agreement.

(iv) Non-compete: SoRSE has agreed to not engage in the sale or licensing of any branded consumer products infused with THC cannabinoids in the U.S. for a period of three years following the Closing Date. The Company has agreed that, during the restricted period, SoRSE may provide formulation, production, cannabinoid emulsion, or any other related services to current and future customers of SorSE who engage in the sale or licensing of branded consumer products infused with any cannabinoids, including without limitation delta-9-tetrahydrocannabinol (THC) cannabinoids, or otherwise compete directly or indirectly with the Company.

(v) New Market Exclusivity. If the Company is the first customer of SoRSE to sell commercially a Product containing 100 mg of THC per unit in a certain state, then Seller shall refrain from selling its Services to another customer selling a similar product ("Similar Product") in that specific state for a period of 12 months (the "Exclusivity Period"); the Company is required to pay in advance at the beginning of the Exclusivity Period a dollar amount equal to 10 kg of distillate converted at SorSE's market rate at that point in time and to purchase SoRSE's Emulsion Technology to convert at least an additional 10 kg of distillate within six months of the Launch Date. If, prior to the Launch Date, SoRSE is already engaged with another customer that is either already selling a Similar Product in that state, or is already in development of a Similar Product intended for sale in that state, then SoRSE is not obligated to grant an Exclusivity Period to the Company. In the event that an Exclusivity Period is granted, SoRSE can engage with other customers in the development of a Similar Product, which cannot be sold commercially in that state during the Exclusivity Period.

The Service Agreement is a schedule to the APA.

General Security Agreement: The Company also signed a general security agreement dated June 30, 2023 granting SoRSE a security interest over all of the assets of the Company. The Security Agreement is attached as a schedule to the APA.

SoRSE is a private company owned by more than 100 shareholders, all of whom are arms-length to the Company. None of them will own 5% or more of the issued Shares upon completion of the Reorganization.

Delisting from the TSX.V and listing on the CSE.

The THC Essentials Acquisition was reviewed by the TSX.V on December 6, 2022. At that time, the TSX.V advised that it was unable to accept the proposed acquisition because it did not comply with TSX.V policy regarding cannabis. The THC Essentials operations are not involved in cultivation, processing, or any aspect of the cannabis business, but the revenue for THC Essentials is from THC-infused beverages ("Infused Beverages"). Although the THC Essentials business does not "Touch the Leaf," the TSX.V is of the view that the Products from which the Company will receive a royalty are illegal under U.S. federal law, although legal in the states where the Products are sold. The press release also announced that the Company had decided to delist from the Exchange (subject to the approval of the majority of the minority shareholders), apply to the CSE to list its Shares, and complete the reorganization upon listing of the Shares on the CSE. The Reorganization will be completed on the Listing Date.

Payment Plan Agreements with Creditors

The Company has entered into Payment Plan Agreements with five arms-length creditors owed $212,512.95 and with the CEO, who is owed $13,920, to repay them over periods ranging from two months to 18 months. The aggregate amount due the creditors for the 12 months following listing on the CSE is $180,463. See "*Narrative Description of the Business – Use of Funds*," "*Description of the Securities – Prior Sales*," and "Material Contract."

Debt Settlement by the Issue of Pre-Consolidation Shares for Debt

On June 30, 2023, the Company issued 1,246,372 consolidated Shares for Debt at a deemed price of $0.40 per Share. The Shares have a hold period of four months and one day from the date of issue.

	$ Amount	# of Pre-Consolidation Shares	# of Post-Consolidation Shares at a deemed price of $0.40 per Share
Former Director and CEO	134,500.00	500,000	100,000
One arms-length creditor	56,339.59	704,245	140,849
Patrick Gray, Director	402,209.02	5,027,613	1,005,523
Total	593,048.61	6,231,858	1,246,372

Name Change and Consolidation of the Shares

On June 12, 2023, the Company changed its name to Nevis Brands Inc., changed the name of its U.S. subsidiary to Nevis Brands Inc., and consolidated the Shares on the basis of one new Share for five old Shares.

Private Placement of $2,000,000

The Company has arranged the Private Placement of $2,000,000 by the issue of 20,000,000 Post-Consolidation units on the Listing Date. Each unit ("Unit") is composed of one Share and one-half Share purchase warrant. One Whole warrant entitles the holder to purchase one additional Share at a price of $.20 per Share for a term of 12 months. The private placement finder will be paid a commission of 7% of gross proceeds of $1,525,500 placed by the finder and will be issued 762,500 Share purchase warrants, equal to 5% of the 15,255,000 Units placed by the finder exercisable for one year at an exercise price of $0.20 per Share. On June 30, 2023 $1,519,500 of the Private Placement closed. The balance of $480,500 is scheduled to close on the Listing Date.

New Board and Officers

The officers and directors are and on the Listing Date will be:

John Kueber (new appointment on June 12, 2023)	CEO, Director
Harold Forzley	CFO, Corporate Secretary
John Bell (new appointment on June 12, 2023)	Director
Vahan Ajamian (new appointment on June 12, 2023)	Director
Patrick Gray	Director

See Item 13, "Directors and Officers," for more details about the officers and directors.

Listing on the CSE

On April 25, 2023, the Company received conditional acceptance to list the Shares on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE, including, without limitation, the distribution of the Shares to a minimum number of public shareholders, the Company meeting certain financial and other requirements and completing the Reorganization on the Listing Date.

Prior and Resulting Share Structure

	$	Number of Shares Pre-Consolidation	Number of Shares Post-Consolidation (on the basis of one new Share for five old Shares)	%
Issued Shares		65,594,769	13,118,954	36.52
Shares for Debt	593,048.61	6,231,858 at an agreed price of $0.08 per Share	1,246,372 at a price of $0.40 per Share	3.47
Private Placement	2,000,000		20,000,000 at a deemed price of $0.10 per Share	50.11
SorSE Shares	377,500		3,775,000 at a deemed price of $0.10 per Share	9.90
Total			38,140,326	100

On April 26, 2023, the Company obtained shareholder approval for the Reorganization from shareholders representing *% of the issued shares prior to the Reorganization. Upon closing of all aspects of the Reorganization, no person or entity will own 10% or more of the issued Shares, and there will not be a change of control as no one entity will own 20% or more of the issued Shares. See "*General Description of the Business" and "Narrative Description of the Business"*

Currency

Unless otherwise indicated, all currency amounts reflected herein are stated in Canadian dollars and references to "CAD". "$" or "dollars" are references to Canadian dollars.

Use of Funds

Available Funds and Principal Purposes

Working Capital: As of May 31, 2023, the Company had a consolidated working capital deficiency of approximately $943,583, comprised of current assets of $180,789 comprised of cash and cash equivalents of $153,849, prepaid expenses of $19,841, and receivables of $7,099, minus current liabilities of $1,124,372, comprised of accounts payables and accrued liabilities of $814,166 and a short-term loan payable of $310,206. The short-term loan was to pay the Company's operating expenses and the costs of the Reorganization.

Regarding the current liabilities of $1,124,372: :

(i) $593,048.61 has been settled by the issue of 1,246,372 consolidated Shares at $.40 per Share; and
(ii) $179,912.49 is being paid in the year following the month after the Listing Date to creditors pursuant to the Payment Plan. The balance of $45,776.55 due to these creditors will be paid in the second year following the Listing Date.

The balance of the accounts payable and short-term loan is $277,195.60.

Available Funds: After paying a commission of $106,785, equal to 7% of the $1,525,500 raised by a finder for the Private Placement of $2,000,000, the net proceeds will be $1,893,215.

Principal Purposes of the estimated available funds are as follows:

Item	**Estimated Cost ($)**
THC Essentials Acquisition price paid on the Listing Date	825,000 [(1)]
General and administrative costs (see Table 1 below)	185,400
2023 Marketing/Operations (See "Narrative Description of the Business")	224,400[(1)]
Creditors on the payment plan	179,912
Balance of current accounts payable and short term loan	277,195
Non current liabilities	53,592
Balance of Reorganization costs and Closing and Listing costs	45,000
Unallocated	102,716
Total	**1,893,215**

(1) U.S.$625,000 is due to SoRSE on the Listing Date. The figure of CAD$825,000 is based on the Bank of Canada U.S. $ exchange rate of 1.32 on June 27, 2023. The figure of $224,400 for the U.S. operation for 12 months post Listing is also based on the same exchange rate. In the event of a change in the exchange rate these two figures may increase or decrease.

Table 1

General and Administrative Expenses of the Company (Consolidated)	**Monthly Amount $**	**Annual Amount $**
CFO, corporate secretary fees (See "*Directors and Executive Officers*")	2,800	33,600
CSE monthly listing fees	1,000	12,000
Legal	1,000	12,000
Audit fees	2,500	30,000
Annual filing fees	150	1,800
Transfer Agent	500	6,000
Seattle office, accounting, misc.	6,000	72,000
Accounting, tax compliance, and bookkeeping services	1,500	18,000
Total	15,450	185,400

Risk Factors:

Investment in the Shares is highly speculative and involves a significant degree of risk. Prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Shares, including the following: additional financial requirements of the Company; the volatility of publicly traded securities; the Company's ability to continue as a going concern; negative cash flow from its operations to the date of this Listing Agreement; the payment of dividends; risks relating to the business of the Company, such as the limited operating history of THC Essentials, which started in 2018; uninsurable risks; political risks in the U.S. regarding the non-medical use of cannabis; environmental risks; licenses; competitive risks; dependence on key management; risks associated with the business model additional funding requirements; risks related to the COVID-19 pandemic; conflicts of interest; and lack of operating experience. There is the risk that the lawsuit against the Company by the former CEO will be successful; in that event, the Company will not have the funds to pay any award of damages and costs.

An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk the loss of their entire investment. Investors should consult their own professional advisors to assess the investment.

See "*Risk Factors*" for greater detail on these and other risk factors.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Statement of Operations of the Company

	Fiscal Year Ended Nov. 30, 2022 (audited) (C$)	Fiscal Year ended Nov. 30, 2021 (audited) (C$)	Fiscal Year ended Nov. 30, 2020 (audited) (C$)
Revenue	0	0	0
Expense	(457,001)	(1,038,208)	(1,284,496)
Net income (loss)	(480,280)	(1,088,931)	(1,237,927)
Net income (loss) per Share	(0.01)	(0.02)	(0.02)
Weighted average number of Shares outstanding	65,546,824	63,484,358	55,400,349
Balance Sheet			
Total assets	18,892	155,518	120,714
Short term liabilities	(973,893)	(646,483)	(473,053)
Long term liabilities	0	0	0
Shareholder's equity (deficiency)	(819,990)	(419,295)	(352,339)
Cash dividends per Share	0	0	0

Consolidated financial statements for the years ended November 30, 2022, and November 30, 2021, and for the years ended November 30, 2021, and November 30, 2020, are attached as Schedule "A" and Schedule "C," respectively, to this Listing Statement. MD&A for the financial years ended November 30, 2022, and November 30, 2021, are attached as schedules "B" and "D," respectively, to this Listing Statement.

GENERAL

Certain capitalized terms and phrases used in this Listing Statement are defined in the "*Glossary of Terms*" above.

Prospective purchasers should rely only on the information contained in this Listing Statement and should not rely on parts of the information contained in this Listing Statement to the exclusion of others. The Company has not authorized any other person to provide additional or different information. If any person provides additional, different, or inconsistent information, including information or statements in media articles about the Company, it should not be relied on.

This Listing Statement includes summary descriptions of certain material agreements of the Company (see "*Material Contracts*"). The summary descriptions disclose provisions that the Company considers to be material but are not complete and are qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and will be available under the Company's profile on SEDAR at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

FORWARD-LOOKING STATEMENTS

This Listing Statement contains forward-looking statements that relate to the Company's current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "*Summary of Listing Statement*," "*Description of the Business*," "*Use of Proceeds*," "S*elected Financial Information and Management's Discussion and Analysis*," and "*Risk Factors*."

In some cases, these forward-looking statements can be identified by words or phrases such as "may," "might," "will," "expect," "anticipate," "estimate," "intend," "plan," "indicate," "seek," "believe," "predict," or "likely," or the negatives of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy, and financial needs. These forward-looking statements include, among other things, statements relating to:

- The intention to complete the listing of the Shares on the CSE and complete the closing of the balance of the Private Placement of $480,500 of the $2,000,000 private placement on the Listing Date;
- The Company's expectation that the funds available and/or revenues derived from its operations will be sufficient to cover its expenses over the next 12 months;
- The success of the Company's business activities and programs;
- The timing and amount of future plans, costs of production, capital expenditures, and costs and timing of the development of the Company's business;
- The estimates of expected or anticipated economic returns in relation to development of the Company's business;
- Projections of market prices and costs for the Licensed Products;
- U.S. federal and state regulation of recreational cannabis;
- Requirements for additional capital and the Company's expectations regarding its ability to raise capital;
- The Company's plans and expectations for the Licensed Products;
- The intention to retain Licenses, brands, and Trademarks;
- Statements relating to the business and future activities of, and developments related to the Company to the

date of this Listing Statement and thereafter;

- Timing and costs associated with completing the manufacture and delivery of the bottles, tops, labels, and shipping boxes used for the Licensed Products; and

- The Company's expected business objectives for the next 12 months.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate, and are subject to risks and uncertainties. In making the forward-looking statements included in this Listing Statement, the Company has made various material assumptions, including but not limited to (i) obtaining necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions, including that financial markets will not be adversely impacted by the COVID-19 pandemic and other global issues; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) anticipated results of marketing and sales activities; (viii) predictable changes to market prices and other predicted trends regarding factors underlying the market for the Licensed Products; (ix) the commercial viability of the Licensed Products being developed; (x) the Company's expectations regarding competition; (xi) the Company's ability to continue to achieve commercial sales of the Licensed Products; (xii) the Company's ability to rely on third parties to manufacture, develop, distribute, and sell the Licensed Products; and (xiii) the Company's ability to meet the listing requirements of the CSE and have access to a market where Shares may be sold.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements.

Given these risks, uncertainties, and assumptions, prospective purchasers of Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance, or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*," which include:

- The limited operating history of THC Essentials and no assurance of continuing profitability;

- Uncertainty about the Company's ability to continue as a going concern;

- The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;

- The Company may not be able to secure additional financing for current and future operations and capital projects;

- Inherent uncertainties and risks associated with the Licensed Products;

- The possibility that future results will not be consistent with the Company's expectations;

- The risk that the brands and Trademarks that support the Licensed Products could be challenged;

- Risks related to the Company's ability to attract and retain qualified personnel, including the ability to keep essential operational staff in place as a result of COVID-19;

- Uncertainties related to global financial and economic conditions and the impact of market reaction to the COVID-19 pandemic, including potential disruptions to the manufacture, marketing, and sales of the Licensed Products;

- Risks associated with the Licensed Products being subject to change by U.S. state regulations;

- Competition for, among other things, capital acquisitions of resources and skilled personnel;

- Uninsured risks and hazards;

- Risks associated with potential conflicts of interest of the Company's executive officers and directors;
- The market price for Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control;
- Changes in market dynamics, including business relationships and competition;
- The safety, efficacy, and quality of the Licensed Products and the consumer perception thereof;
- Conflicts with third parties to manufacture, develop, distribute, and sell the Licensed Products;
- Recall of the Licensed Products; and
- Negative cash flow from the Company's operations.

If any of these risks or uncertainties materializes, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

Information contained in forward-looking statements in this Listing Statement is provided as of the date of this Listing Statement, and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Listing Statement concerning the industry and the markets in which the Company intends to operate, including its general expectations and market position, market opportunities, and market share, is based on information from independent industry organizations, other third-party sources and publicly available information.

Unless otherwise indicated, the Company's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from its internal research, and include assumptions made by the Company that it believes to be reasonable based on its knowledge of the industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and the Company has not independently verified any third-party information. While the Company believes the market position, market opportunity, and market share information included in this Listing Statement is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of the Company's future performance, and the future performance of the industry and markets in which the Company operates, are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Forward-Looking Statements*" and "*Risk Factors.*"

2. CORPORATE STRUCTURE

Name, Address, and Incorporation

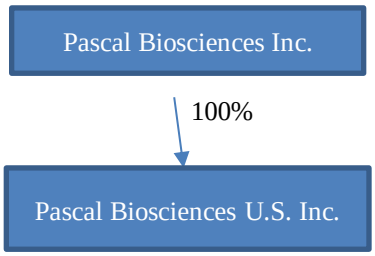
The Company was incorporated pursuant to the BCBCA on January 28, 2011, as MC Partners Inc., and was listed as a capital pool company, as defined by Policy 2.4 - *Capital Pool Companies* (the "**CPC Policy**") of the TSX Venture Exchange (the "**TSXV**"), in May 2012. On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc., a private company that was formed to commercially exploit a number of patents and patent applications relating to certain medical technologies. The acquisition constituted the Company's "Qualifying Transaction" under the CPC Policy. On May 22, 2013, the Company changed its name to "bioMmune Technologies Inc." On March 30, 2017, the Company changed its name to Pascal Biosciences Inc. On June 12, 2023, the Company changed its name to Nevis Brands Inc. and consolidated its Shares on the basis of one new Share for five old Shares.

The Company's registered office is located at 880 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6. The head office is located at 1600 40th Avenue, Seattle, Washington 98122. That address will change upon locating a new office in Seattle to be effective in July 2023.

The Company is a reporting issuer in each of the provinces of British Columbia, Alberta, and Ontario.

2.3 Intercorporate Relationships

The Company's wholly owned subsidiary is Pascal Biosciences U.S. Inc. ("**Pascal U.S.**), incorporated on March 27, 2017, under the *Washington Business Corporations Act*. Pascal U.S. operated a research lab in Seattle, Washington, USA until it closed in November 2021. Its registered and head office is located at 1600 40th Avenue, Seattle, Washington 98122. This address will change after completion of the Reorganization and listing on the CSE, at which time a new office will be located.



3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Introduction

The Company's Shares were listed on the TSXV in May 2012 under the trading symbol "PAS," and it was classified as a Tier 2 Biotechnology Issuer. The Company has undertaken a reorganization involving:

(i) Delisting from the TSX.V and listing on the CSE;
(ii) A name change and consolidation of its Shares on a ratio of one new Share for five old Shares;
(iii) The issue of Shares for debt;
(iv) A change of directors and a new CEO;
(v) A private placement of $2,000,000 ("Private Placement"); and
(vi) Acquisition of the assets of a business called THC Essentials (the "THC Essentials Acquisition").

collectively (the "Reorganization").

The details of the Reorganization are disclosed in the balance of Section 3.1.

On April 25, 2023, the Company received conditional approval to list on the CSE, subject to the Company fulfilling all the listing requirements of the CSE, including, without limitation, the distribution of the Shares to a minimum number of public shareholders, the Company meeting certain financial and other requirements, obtaining shareholder approval, and completing the Reorganization on the Listing Date. Shareholder approval of the Reorganization was obtained on May 11, 2023 by a vote of 36,957,501 representing 56.34% of the issued Shares.

At the closing of trading, on May 23, 2023, the Shares were delisted from the TSXV.

On June 12, 2023, the name was changed to Nevis Brands Inc., and the Shares were consolidated on a ratio of one new share for five old Shares.

On June 12, 2023, three new directors were appointed to the board of directors, four directors resigned, and a new CEO was appointed. See "*Directors and Officers*."

On June 30, 2023: i) 1,246,372 consolidated Shares for Debt were be issued; (ii) the THC Essentials Acquisition closed and (iii) and the Private Placement was partially closed. On June 30, 2023 the Company closed $1,519,500 of the Private Placement. The balance of $480,500 is scheduled to close on July 6, 2023.

Overview of the Company's business prior to the Reorganization

Until November 2021, when the research lab closed, the principal business of the Company was the research and development of products for the treatment of cancers and improvement of the immune system, with a specific focus on cancer research at its laboratory located in Seattle, Washington.

Three-Year History

Developments in the year ended November 30, 2020

On March 24, 2020, the Company closed a private placement, whereby SoRSE Technology Corporation ("SoRSE") purchased 3,793,548 units of the Company at a price of $0.09 per Unit for gross proceeds of $341,419. Each Unit consisted of one Share and one Share purchase warrant, exercisable at a price of $0.15 for 18 months. None of the warrants were exercised.

On June 12, 2020, 387,594 Share purchase warrants, exercisable at a price of $0.40 per Share, expired.

In July 2020, the Company filed a provisional patent titled: "Method of Treating Coronavirus Infections with Cannabinoids and Derivatives."

On September 14, 2020, the Company and SōRSE announced that they had entered into a Collaborative Research Agreement (the "Agreement") to advance the Company's PAS-393, an immune-stimulating cannabinoid for cancer treatment, into clinical testing. They agreed to share their respective technologies to test PAS-393 in human volunteers, enabling the testing of cancer patients treated with checkpoint inhibitors. SōRSE provided U.S.$750,000 in research funding to Pascal throughout the 15-month collaboration and paid for related research expenditures. Pursuant to the Agreement, as at March 30, 2021, the Company has received U.S.$300,000 from SōRSE (U.S.$50,000 for each of September 2020 through February 2021), which was applied against salaries. During the year ended November 30, 2020, SoRSE was to acquire Pascal US and reimburse Pascal US for legal fees for this transaction. The transaction was cancelled, and the Company recorded $50,773 in accounts receivables from SoRSE.

On November 30, 2020, the Company issued 1,153,825 Shares to related parties to settle debt owing of $230,765.

During the year, stock options were granted to various persons. None were exercised.

Developments in the year ended November 30, 2021

On February 8, 2021, and March 17, 2021, the Company closed a private placement by issuing 7,500,000 Units at a price of $0.10 per Unit for gross proceeds of $560,000. Each Unit consisted of one Share and one Share purchase

warrant exercisable at a price of $0.15 per Share for a period of 24 months from the date of closing. None of the warrants were exercised.

On March 18, 2021, the Company was awarded a grant of U.S.$321,406 from the National Cancer Institute of the U.S. National Institutes of Health. The two-year award was used to fund development of the Company's antibody drug for acute lymphoblastic leukemia, which is the most common childhood leukemia.

On September 3, 2021, the Company announced the appointment of Robert Gietl as CEO and president.

On November 15, 2021, the Collaborative Research Agreement with SoRSE Technologies Inc. expired and was not renewed.

During the year, stock options were granted to various persons, none of which were ever exercised.

Developments in the year ended November 30, 2022

On January 3, 2022, the Company removed Robert Gietl as CEO and President. Mr. Gietl has commenced a legal action in the Supreme Court of B.C. claiming damages, interest and costs, payment of unpaid salary of $230,000, and the issue of 500,000 shares. On January 14, 2022, 500,000 Shares were issued to Robert Gietl for his services as CEO of the Company for the months of September and October 2021. The Company has filed a statement of defense. See *Legal Proceedings* under the heading "Risk Factors." He has not been paid for his services for November and December 2021.

On February 28, 2022, Brian Bapty was appointed CEO and President and appointed to the board of directors. On February 28, 2022, he was granted 500,000 stock options exercisable at a price of $0.08 per Share for a period of five years, to vest quarterly over one year.

On November 22, 2022, the Company signed a term sheet with SoRSE Technology Corporation ("SoRSE") of Seattle, Washington, to acquire from it the business line of THC Essentials (excluding SoRSE's patented Emulsion Technology) that licenses its trademarks to manufacturers to make wholesale finished cannabis drinks for sale at retail in exchange for a royalty. The assets being acquired are Licenses and a small amount of inventory and portable equipment used for bottling that is lent out to Licensees to start their operations. This equipment is currently with one of the Licensees.

On November 28, 2022, the Company signed a termination/settlement agreement with Brian Bapty, former CEO and Director, to pay unpaid salary of $139,500 via the payment of $5,000 and the issue of 500,000 Pre-Consolidation Shares and to confirm that his stock options will expire on November 27, 2023. See "*Material Agreements.*"

On November 30, 2022, the Company signed an agreement with Dr. Patrick Gray, a director, to settle liabilities of $402,209.02 through the issue of 5,027,613 Pre-Consolidation Shares at a price of $.08 per Share. See "*Material Agreements.*"

On November 30, 2022, the Company signed an arms-length agreements with one creditor to settle liabilities of $56,339.59 through the issue of 704,245 pre-Consolidation Shares at a price of $.08 per Share. See ("*Material Agreements*").

On November 30, 2022, the Company signed payment plan agreements with seven creditors to pay $178,518.50 over a period of 15 months.

Developments after November 30, 2022

On December 6, 2022, the Company issued a press release announcing the Reorganization.

On December 9, 2022, the Company issued a press release announcing that the TSX.V had reviewed the proposed asset acquisition of THC Essentials and was unable to accept it because of the TSX.V cannabis policy. The press release also announced that it had decided to delist from the Exchange (subject to the approval of the majority of the

minority shareholders), apply to the CSE to list its Shares, and complete the reorganization upon listing the Shares on the CSE. The Reorganization will complete on the Listing Date.

The Company signed an agreement with SoRSE dated February 10, 2023, to acquire the assets of THC Essentials.

On February 13, 2023, the Company applied to list its shares on the CSE.

On April 25, 2023, the Company received conditional acceptance from the CSE to list the Shares on the CSE, subject to meeting certain financial and distribution requirements, obtaining shareholder approval to the de-listing and completing the Reorganization on the Listing Date.

At the close of trading on May 23, 2023 the Shares were delisted from the TSX.V.

On June 12, 2023 the Company changed its name to Nevis Brands Inc., consolidated the Shares with a ratio of one new Share for five old Shares, accepted the resignations of three of the four directors, and appointed three new directors and a new CEO. See "Directors and Executive Officers."

On January 3, 2022, the Company removed Robert Gietl as CEO and President. On January 14, 2022, 500,000 Shares were issued to Robert Gietl for his services as CEO of the Company for the months of September and October 2021. He has not been paid for his services for November and December 2021. Mr. Gietl commenced a legal action in the Supreme Court of B.C. claiming damages, interest and costs, payment of unpaid salary of $230,000, and the issue of 500,000 shares. On June 22, 2023 a settlement agreement of $126,000 was reached. $46,000 (which is included in the Use of Funds) will be paid on July 14, 2023. There will be six monthly payments of $12,000 to be paid on the 14th day of the months of August, 2023 to January 14, 2024. One final payment of $8,000 will be paid on February 14, 2023.

On June 30, 2023: i) 1,246,372 consolidated Shares for Debt were issued; (ii) the THC Essentials Acquisition closed and (iii) and the Private Placement was partially closed. On June 30, 2023 the Company closed $1,519,500 of the Private Placement. The balance of $480,500 is scheduled to close on July 6, 2023.

Bankruptcy, Receivership, Receiverships, Restructuring
There have not been any bankruptcy, receivership, or similar proceedings against the Company or its subsidiaries; any voluntary bankruptcy, receivership, or similar proceedings; or any material restructuring transactions by the Company or any of its subsidiaries within the two most recently completed financial years.

Social and Environmental Policies and Seasonal and Environmental Issues
There are no social and environmental policies or seasonal and environmental issues that have affected or are expected to affect the Company and its business.

Material Restructurings
Since March 24, 2013, when the Company completed its Qualifying Transaction on the TSX.V, there had not been any material restructuring until the Reorganization announced on December 6, 2022.

The closing of the $2,000,000 Private Placement and the THC Essentials Acquisition are to close concurrently on the Listing Date. A condition of both closings is that the Shares be listed on the CSE.

REORGANIZATION

Delisting from the TSX.V and listing on the CSE.

The THC Essentials Acquisition was reviewed by the TSX.V on December 6, 2022. At that time, the TSX.V advised that it was unable to accept the proposed acquisition because it did not comply with TSX.V policy regarding cannabis. The THC Essentials operations are not involved in cultivation, processing, or any aspect of the cannabis business, but the revenue for THC Essentials is from THC infused beverages ("Infused Beverages"). Although the THC Essentials business does not "Touch the Leaf," the TSX.V is of the view that the Licensed Products from which the Company will receive a royalty are illegal under U.S. federal law, although legal in the states where the Licensed Products are sold. The press release also announced that it had decided to delist from the Exchange (subject to the approval of the

majority of the minority shareholders), apply to the CSE to list its Shares, and complete the reorganization upon listing the Shares on the CSE. The Reorganization will complete on the Listing Date.

Name Change and Consolidation of the Shares

On June 12, 2023, the Company changed its name to Nevis Brands Inc., and consolidated the Shares on the basis of one new Share for five old Shares resulting in an issued Share capital of 13,118,954 Shares.

Payment Plan Agreements with Creditors

The Company has entered into Payment Plan Agreements with eight creditors owed $183,518.50 to repay them over periods ranging from 2 months to 15 months. One additional creditor will be paid $42,508.80 over a period of 18 months. The aggregate amount to be paid to the nine creditors for the 12 months following listing on the CSE is $180,138.

Payment Plan Agreements

1. Agreement dated November 30, 2023, with Brian Bapty, former CEO, to settle debt of $5,000 payable on the earlier of June 30, 2023, or the first full month after the Shares are listed on the CSE.

2. Agreement dated November 30, 2023, with Joanne McClusky, lawyer, to settle debt of $19,624.59 by the payment of $1,308 in 15 monthly payments commencing on the earlier of June 30, 2023, or the first full month after the Shares are listed on the CSE.

3. Agreement dated November 30, 2023, with Harold Forzley, CEO, to settle debt of $13,920 by the payment of $2,784 in five monthly payments commencing on the earlier of June 30, 2023, or the first full month after the Shares are listed on the CSE.

4. Agreement dated November 30, 2023, with Gale Capital Corp. to settle debt of $30,000 by the payment of $2,000 in 15 monthly payments commencing on the earlier of June 30, 2023, or the first full month after the Shares are listed on the CSE.

5. Agreement dated November 30, 2023, with Malaspina Consultants Inc. to settle debt of $6,000 by the payment of $3,000 in two monthly payments commencing on the earlier of of June 30, 2023, or the first full month after the Shares are listed on the CSE.

6. Agreement dated November 30, 2023, with Christi Wood to settle debt of $44,037 by the payment of $2,936 in 15 monthly payments commencing on the earlier of June 30, 2023, or the first full month after the Shares are listed on the CSE.

7. Agreement dated November 30, 2023, with Mo Mousa to settle debt of $24,694.35 by the payment of $2,682.84 in 15 monthly payments commencing on the earlier of June 30, 2023, or the first full month after the Shares are listed on the CSE.

8. Agreement dated November 30, 2023, with Thomas Deckworth to settle debt of $40,242.56 by the payment of $2,682.84 in 15 monthly payments commencing on the earlier of June 30, 2023, or the first full month after the Shares are listed on the CSE.

9. Agreement dated November 30, 2023, with Mohammed Mousa to settle debt of $24,694.35 by the payment of $1,646.29 in 15 monthly payments commencing on the earlier of June 30, 2023, or the first full month after the Shares are listed on the CSE.

Debt Settlement by the Issue of Consolidated Shares

The Company entered into three shares-for-debt agreements with three creditors as follows:

1. Agreement dated November 30, 2022, between the Company and Larry Tjoelker, former VP of Research, of Greenbank, Washington, to settle monies owed to him of $53,048.80 by the issue of 663,110 Pre-Consolidation Shares at a price of $.08 per Share.

2. Agreement dated November 30, 2022, between the Company and Dr. Patrick Gray, Director, of Seattle, Washington, to settle monies owed to him of $402,209.02 by the Issue of 3,569,6700 Pre-Consolidation Shares at a price of $.08 per Share.

3. Agreement dated November 28, 2022, between the Company and Dr. Brian Bapty, former Director and CEO, of West Vancouver, British Columbia, to settle unpaid CEO fees by the issue of 500,000 Pre-Consolidation Shares at a price of $.08 per Share.

On June 30, 2023, the Company issued 1,246,372 Post-Consolidation Shares for Debt. All Shares will have a hold period of four months and one day from the issue date.

	$ amount	Post Consolidation Shares at a deemed price of $0.40 per Share
Former director and CEO	134,500.00	100,000
Patrick Gray, director	402,209.02	1,005,523
One arms- length creditor	56,339.59	140,849
Total	593,048.61	1,246,372

See "*Narrative Description of the Business"* and "*Description of the Securities – Prior Sales.*"

Private Placement of $2,000,000

The Company has arranged a private placement of $2,000,000 by the issue of 20,000,000 Post-Consolidation Units. Each Unit is composed of one Share and one-half Share purchase warrant. One whole warrant entitles the holder to purchase one additional Share at a price of $0.20 per Share for a term of one from the date of issue. The finder will receive a commission of $106,785, equal to 7% of gross proceeds raised by them and 762,750 share purchase warrants equal to 5% of the Shares placed by them, exercisable for one year from the Listing Date at an exercise price of $0.20 per Share. On June 30, 2023 the Company closed $1,519,500 of the Private Placement. The balance of $480,500 is scheduled to close on July 6, 2023. All Shares will have a hold period of four months and one day from the date of issue.

Change of Business: Acquisition of the assets of THC Essentials

The APA was signed on February 10, 2023 between SoRSE and the Company to acquire from SoRSE its operating business called THC Essentials (the "Transaction") . The APA was amended several times with a final amendment on June 8, 2023 to extend the Closing to no later than June 30, 2023. Closing must be on the Listing Date.

The assets being acquired are: (i) the name "THC Essentials" and trademarks Major, Happy Apple, Pearl, Utopia, Atomic Apple, Vertus, Velvet Swing, and Velvet Kiss; (ii) product formulas, designs, and recipes sold under the trademarks and brands; (iii) assignment of all licenses and royalty agreements and associated royalty revenue from the sale of beverages infused with SoRSE's Emulsion Technology by SorSE licensees in Washington, Oregon, California, Arizona, Colorado, and Ohio; and (iv) all remaining inventory and equipment. The equipment is a basic bottle-filling machine and a machine to heat the labels and shrink wrap the labels around the bottles. It is currently in a client's bottling plant in Portland, Oregon. The equipment is loaned to clients to help new clients get started with the manufacturer of the Licensed Products

The assets of THC Essentials being acquired from SoRSE exclude the intellectual property related to SoRSE's Emulsion Technology.

The purchase price is U.S.$1,125,000 (U.S.$625,000 payable at closing of the Transaction and U.S.$500,000 in 12 months) and Shares equal to 9% of the aggregate issued shares on Closing which will be 3,775,000 consolidated Shares at a deemed price of $0.10 per Share. The Company was required to raise $1,500,000 at Closing from which

the U.S. $625,000 will be paid.

Specifics of the APA:

(i) Promissory Note: Interest: The Company has signed a promissory note for the U.S.$500,000. Interest of 7.5% per annum will be paid and due 13 months from the Closing. The promissory note is secured by a security agreement against the assets of the Company. In the event of a default by the Company, the U.S.$500,000 plus interest will be immediately due and payable. Incidents of default are a sale of substantially all of the Company's assets, its Shares being delisted from the CSE, a failure to meet continuous disclosure obligations, collection or enforcement proceedings, commencement of litigation against the Company exceeding $100,000, the Company commencing bankruptcy, winding up or dissolution proceedings, assumption or incurring of debt greater than or in seniority to the U.S.$500,000, or SoRSE decides an adverse change has occurred in the financial affairs of the Company. In the event of a default, the interest rate increases to 15% per annum.

(ii) Non-compete: SoRSE has agreed to not engage in the sale or licensing of any branded consumer products infused with THC cannabinoids in the United States for a period of three years following the Closing Date. Notwithstanding the foregoing and except as contemplated in the Service Agreement, Buyer agrees that, during the Restricted Period, Seller may provide formulation, production, cannabinoid emulsion, or any other related services to any other parties, including current and future customers of Seller, who engage in the sale or licensing of branded consumer products infused with any cannabinoids, including without limitation delta-9-tetrahydrocannabinol (THC) cannabinoids, or otherwise compete directly or indirectly with the Business Unit.

(iii) Anti-dilution: In the event that the Company issues Shares at a price of less than $0.05 per Share, the Company will issue Shares to SoRSE in an amount sufficient to provide SoRSE a 9.9% shareholding in the issued Shares.

(iv) Indemnity: Each of the Company and SoRSE agree to indemnify the other from any claims, lawsuits, losses, liabilities, or litigation expenses arising from a breach of the APA.

Services Agreement
The Company and SoRSE have agreed to a three-year Services Agreement to be effective at the Closing of the APA. SoRSE has agreed to sell its Emulsion Technology to the Company on a non-exclusive basis. The Services Agreement will be effective on the closing of the APA on the Listing Date. It is attached as Schedule H-1 to the APA.

Specifics of the Services Agreement:

(i) The Company can only purchase emulsion technology from SoRSE. SoRSE can reject an order but is required to use commercially reasonable efforts to accept all purchase orders.

(ii) SoRSE has agreed to not increase the price of its Emulsion Technology for one year to any Licensee that is active as at the Closing Date. Thereafter, the price is subject to change.

(iii) Termination would result from a breach of the Services Agreement, a party becoming insolvent or subject to bankruptcy proceedings, a violation of any State Marijuana Regulations, or failure by the Company to pay two or more consecutive purchase orders. Each party will indemnify the other for any claims, lawsuits, losses, liabilities, litigation expenses arising from a breach of the Services Agreement.

(iv) Non-compete: SoRSE has agreed to not engage in the sale or licensing of any branded consumer products infused with THC cannabinoids in the U.S. for a period of three years following the Closing Date. The Company has agreed that, during the restricted period, SoRSE may provide formulation, production, cannabinoid emulsion, or any other related services to current and future customers of SorSE who engage in the sale or licensing of branded consumer products infused with any cannabinoids, including without limitation delta-9-tetrahydrocannabinol (THC) cannabinoids, or otherwise compete directly or indirectly with the Company.

(v) New Market Exclusivity. If the Company is the first customer of SoRSE to sell commercially ("Launch Date") a Product containing 100 mg of THC per unit in a certain state, then Seller shall refrain from selling its Services to another customer selling a similar product ("Similar Product") in that specific state for a period of 12 months

(the "Exclusivity Period"); the Company is required to pay in advance at the beginning of the Exclusivity Period a dollar amount equal to 10 kg of distillate converted at SoRSE's market rate at that point in time and to purchase SoRSE's Emulsion Technology to convert at least an additional 10 kg of distillate within six months of the Launch Date. If, prior to the Launch Date, SoRSE is already engaged with another customer that is either already selling a Similar Product in that state or already in development of a Similar Product intended for sale in that state, then SoRSE is not obligated to grant an Exclusivity Period to the Company. In the event that an Exclusivity Period is granted, SoRSE can engage with other customers in the development of a Similar Product, which cannot be sold commercially in that state during the Exclusivity Period.

SoRSE is a private company owned by more than 100 shareholders, all of whom are arms-length to the Company and its current and proposed new officers and directors. None of them will own 5% or more of the issued Shares upon completion of the Reorganization.

Prior and Resulting Share Structure

	$	Number of Shares Pre-Consolidation	Number of Shares Post-Consolidation (on the basis of one new Share for five old Shares) on the Listing Date	%
Issued Shares		65,594,769	13,118,954	36.44
Shares for debt	593,048.61		1,246,372 at a price of $0.40 per Share	3.90
Private Placement	2,000,000		20,000,000 at a price of $0.10 per Share	50.0
SoRSE Shares	3,775,000		3,775,000 at a price of $0.10 per Share	9.90
Total			38,140,325	100

On closing of all aspects of the Reorganization on the Listing Date, there will not be a change of control, as no one person will own 20% or more of the issued Shares. No one person will own 10% of the issued Shares on completion of the Reorganization.

3.3 Trends

The market segments for cannabis beverages in which the Company will operate have competitive product lines available online and in retail stores. The Issuer's competitive positioning will depend on its ability to distinguish the Licensed Products in the cannabis beverage markets.

The Company is unaware of any particular trends that would affect its business, operations, and the Licensed Products. COVID-19 has not unduly affected the operations of THC Essentials. Except for the occasional manufacturer of the bottles in British Columbia, the bottles, tops, and labels are made in the U.S. for shipment to the Licensees. There have been occasional delays of up to a week in the manufacture of the bottles, which is not necessarily related to COVID-19. There have been no delays in the creation of the labels used on the bottles. Global financial and economic conditions are currently very unpredictable for many reasons, including the war in Ukraine and its effect on the delivery of commodities, including agricultural products; the supply of Russian oil and gas; the price and delivery of oil and gas from other countries; inflation in most countries of the world; and the ongoing effect of the COVID-19 virus, which is impacting businesses globally by disrupting supply chains, travel, production, and consumption, threatening operations and financial markets. Many industries are impacted by these market conditions. It is not expected that these factors will significantly impact the Company's operations and future plans. Additional key impacts of the

current financial market turmoil include contraction in credit markets and the credit lines required by businesses, resulting in a widening of credit risk; devaluations and high volatility in global equity, commodity, foreign exchange, and monetary markets; as well as a lack of market liquidity. Such factors may significantly impact the Issuer's operations and future plans. The Company intends to continue to License its Trademarks and Licensed Know-How for the Licensed Products primarily in the U.S., where minimal disruption is expected. See "*Narrative Description of the Business*" and "*Risk Factors.*"

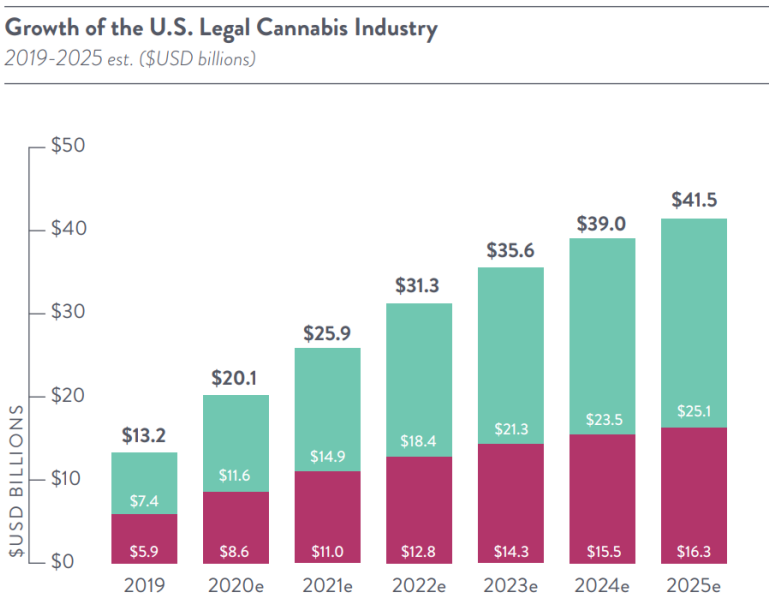
4. NARRATIVE DESCRIPTION OF THE BUSINESS

The Cannabis Drink Industry
The Market

THC Essentials' target market is the U.S. cannabis consumer. The cannabis market is still in its early stages in the U.S. and is growing rapidly. While the Company may evaluate international licensing in the future, the Company believes its most interesting expansion opportunities are in certain states within the U.S.

Following the 2022 U.S. election, 21 states plus Washington D.C. have legalized cannabis for adults for recreational purposes. Those states, along with an additional 18 states that have legalized medical use of cannabis, bring the total population of U.S. residents living in a state (or D.C.) with legalized medical or adult-use cannabis to over 71% of the national population.

The current US Cannabis market is a $60 billion industry, with beverages representing approximately 1% of the cannabis market. Beverages are one of the fastest growing segments of the cannabis industry.



Source: New Frontier Data

The industry expansion is fueled by several forces, including the following:

- The addition of new legal markets as more states reform their cannabis laws;
- Sustained growth in demand in legal states as consumers make the transition from the unregulated market to the legal one; and
- Increased cannabis consumption as the public recognition of cannabis's expansive therapeutic value grows, and cannabis is diversified for varying medical and wellness uses.

While competitive forces and economies of scale may drive down both wholesale and retail prices, continued growth in consumer demand is expected to ensure sustained positive market growth through 2025.

The cannabis beverage market in the U.S. was estimated to be U.S.$566.4 million in the year 2020 and is forecast to reach U.S.$1.7 billion by 2027 (Global Industry Analysts Inc. Report, October 2022). In the past, cannabis edibles and beverages were seen by some as a less attractive way to enjoy cannabis because of uneven experiences. However, with improved infusion technologies that have allowed for consistent dosing and onset of effects, beverages, gummies, and other cannabis-infused food and drinks have increased in popularity. Because cannabis beverages can offer a similar social experience during times of alcohol abstinence, new potential markets have developed. Today, several hundred brands comprise the cannabis beverage landscape, with a variety of flavors and dosages throughout the United States in those states that have legalized recreational cannabis consumption.

Companies that are much larger in size and have much more financial resources than those available to the Issuer are making Infused Beverages and have larger shares of the Infused Beverage Market. See item 4, "*Description of the Business – Competition*."

- Cannabis drinks

The cannabis drink segment is the fastest-growing area of the cannabis industry Cannabis beverages are evolving to meet consumer demand for both low-dose and high-dose products as well as an array of consumer tastes. As this segment continues to grow, several trends have emerged:

- Continued leadership by high-dose beverages but also growth of low-dose beverages

In the early days of the cannabis beverage market, doses from 2.5 mg to 100 mg of THC were offered in various formats, such as carbonated, still, waters, and sugar-based beverages. Beverages with the higher dosing became market leaders and dominated sales in various legal markets. However, recently, the market has begun to see growth in lower-dose formats. *Headset*, a firm that tracks sales metrics in the cannabis industry, published a report in early 2022 showing that, over a two-year period between January 2020 and January 2022, consumers spent a collective US $25.4 million on major branded cannabis beverage products and U.S.$23.9 million on Keef Cola products. CANN Social Tonics (under 10mg per unit) also did well in this time period, posting just shy of U.S.$20 million in sales.

THC Essentials owns one of the leading brands (Major ™) in the high-dose (100 mg) category. Competitors include Ray's Lemonade, Uncle Arnies, and Pabst High Seltzer. THC Essentials has strong market share and sells 10-15% of all THC beverages in the United States in the high-dose category and 20-25% of all THC cannabis beverages in Washington State. Recreational cannabis is available in 21 states in the United States. Currently, the Licensed Products are available in five states.

- Implementation of functional ingredients along with cannabis

Consumers and budtenders have mostly chosen a beverage based on flavor profile, cannabis content, and the ability to enjoy cannabis without smoking. However, more recently, some products have emerged that combine other ingredients, such as caffeine and adaptogens, that provide consumers with other functional ingredients that they often find in non-cannabis beverages.

- Development of trusted, recognizable brands

With the proliferation of brands in mature markets such as Washington and California, consumers choose brands where they have some familiarity and trust built with an already established positive experience. This will make it more challenging for new brands to enter the marketplace and allow existing brands to execute brand extensions to other size, flavor profile, and functional ingredients.

- Integrating packaging with measurement

Many consumers purchase a high-dose cannabis beverage with the intent of enjoying the effects of cannabis over several sessions. As such, Major and other products have introduced packaging such as dosing strips and measurement cups, where consumers may accurately deliver dosing appropriate to the experience they are seeking.

Business Model: How the THC Essentials Business Has Operated:
The THC Essentials business model is "asset-light" and focused on the licensing of its trademarks to established licensed partners in each legal cannabis state, which use the THC Essentials recipes and formulas and the Emulsion Technology in the Licensed Products. The Company forms partnerships with production and distribution partners in licensed facilities to support the business in each state and typically collects a royalty of 10-20% of sales. THC Essentials is the owner of each Product formula and brand trademark.

Partners typically sell the Licensed Products at wholesale for U.S.$5-8, with THC Essentials collecting U.S.$1.50 to U.S.$2.00 per unit. While THC Essentials assists partners with initial production, package design, and co-marketing, sales and distribution are handled by the licensed partners along with subsequent production.

THC Essentials has licensed beverage manufacturers / Licensees in six states, five of which are operational. Under the Licenses, the Licensee is responsible for all production, operations, and marketing. THC Essentials is only responsible for the provision of bottles, labels, and flavors, the collection of revenues from its partners, and investing in certain marketing it deems strategically advantageous. The Company plans to expand the Licensed Products to more states in 2023.

How it started:
THC Essentials was founded as a division of Seattle-based SoRSE to develop innovative cannabis products that proved the effectiveness of SoRSE's Emulsion Technology, used to create safe and effective cannabis beverages with even dosing and stability and faster onset.

THC Essentials launched its first cannabis beverage in November 2018. *Happy Apple*™ quickly became the top-selling beverage in the Washington State market and was followed by additional Licensed products, including *Utopia*™, *Velvet Swing*™, and *Pearl*. In late 2019, it introduced *Major*, which supplanted Happy Apple as the top-selling beverage in Washington State. At this point in the business, SoRSE handled all parts of the business, including acquiring THC distillate and beverage manufacturing,

In 2020, SoRSE created the THC Essentials division and moved to a licensing model where it licensed partners the exclusive right to manufacture Major and other brands and sell/distribute the THC-infused beverages ("THC Infused Beverages") to retailers.

Through this process, THC Essentials removed itself from all cannabis-related operations. The Licensees are licensed in states in the U.S. where cannabis for recreation is legal. The Licensees purchase THC Distillate from local providers in each state, engage SoRSE in the process of emulsification (which makes the THC Distillate water-soluble), and perform bottling and distribution.

SoRSE travels to Licensee manufacturing facilities and converts the Licensee's THC Distillate using SoRSE's Emulsion Technology, which produces a water-soluble solution of the THC Distillate that is added to the beverages. THC Essentials provides packaging (bottles, labels, and flavoring) and assists with brand development. THC Essentials outsources the manufacture of the bottles, which are shipped directly to the clients. This acts as a way to track sales and determine the royalties. It also has the labels made and shipped to the Licensees, which attach the labels to the bottles.

Upon closing of the THC Essentials Acquisition, the Company will not be in the business of cannabis production or sales and will not be involved in providing cannabis products and services for cultivation, distribution, or consumption. With the acquisition of THC Essentials, the Company will continue to be a developer of recipes, formulas, and brands for the Licensed Products. SoRSE will, independently of the Issuer, provide the Emulsion Technology for the Licensed Products.

The Licenses
There are six Licenses, five of which are active. The sixth, for California, is inactive and was not renewed due to the cost of business in California. The Licenses are exclusive, non-transferable Licenses from SoRSE to use the Trademarks and Licensed Know-How manufacture and sell the Licensed Products in the territory defined by the License (Statewide). The Licenses are assigned by SoRSE to the Company effective on closing of the THC Essentials Acquisition. The assignment agreement will exclude SoRSE's Emulsion Technology.

Licensee employees are trained in the manufacture of the Licensed Products. This training is done by the Company CEO John Kueber, who was the manager of THC Essentials until September 2022. There are annual sales milestone

requirements ("Annual Sales Milestones"), which, if not met, will result in a loss of exclusivity, allowing the Company to grant Licenses to other parties in the territory and termination of the License. By written agreement, additional products can be added to the Licensed Products. Limited sub-licensing by a sub-licensee is allowed with the consent of the Company. No ingredients are provided by the Company. A Licensee purchases all brand packaging (bottles, labels, caps, and shipping boxes), flavour kits, and marketing materials from the Company. A Licensee sets its own wholesale price.

The Company's indemnification for losses by a Licensee is limited to losses arising from a material breach of the License by the Company, gross negligence, or wilful misconduct, and the Company is not responsible for consequential damages.

The five active licenses are with the following Licensees, all of which are licensed by the states in which they operate:

1. New Gen Holdings, Inc. of Phoenix, Wyoming.

Date: August 27, 2021, for a term of three years in the state of Arizona.
Under the agreement, The Partner agrees to produce, sell, and distribute the Products. The Partner has also agreed to certain quality controls and inspections during the term. Both parties have agreed to and fulfilled certain marketing commitments in the first year to ensure that the products are successful in the marketplace.
Annual Sales Milestones for the three years of the License are U.S.$500,000, U.S.$1,000,000, and U.S.$1,500,000.

2. Appalachian Pharm Processing of Jackson, Ohio.
Agreement executed November 10, 2021, for a term of three years in the state of Ohio to license the Major ™ product.
Under the agreement, Appalachian Pharm agrees to produce, sell, and distribute the Products. The Partner has also agreed to certain quality controls and inspections during the term. Both parties have agreed to certain marketing commitments in the first year to ensure that the products are successful in the marketplace.
The Partner began selling in Ohio in 2022. Annual Sales Milestones for the three years of the License are U.S.$100,000, U.S. $350,000, and U.S.$700,000.

3. EH Enterprises Management, Inc., of Seattle, Washington
Date: February 27, 2020, for a term of five years in the territory of the state of Washington.
This Licensee is a Washington State Liquor and Cannabis Board approved and licensed processor of marijuana and operates a licensed marijuana processing facility. Under the terms of the agreement, EH has exclusive rights to produce and sell THC Essentials products in Washington. EH is subject to quality control guidelines throughout the term and is subject to quality control inspections. EH is responsible for all capital investments throughout the term and is subject to consulting fees should assistance be necessary. EH agrees to pay royalties based on products on sold and for certain packaging provided in connection with the products.

4. Greenpoint Oregon, Inc. of Portland, Oregon
SoRSE / THC Essentials executed a license agreement with Greenpoint Oregon, Inc. on December 8, 2020, for a term of one year in the state of Oregon. It is automatically renewable each year unless a notice of termination is sent 60 days prior to termination. The company has successfully launched THC Essentials products and has continued to provide royalties related to the selling of the Products. Greenpoint pays royalties based on products sold along with certain bonus payments based on revenue milestones.
The term of the agreement with Greenpoint has expired; the companies continue to work under the terms of the agreement in good faith and may extend the agreement in 2023.

- Revocable, non-transferable, non-sub-licensable license for a specified territory in the State in which the Licensee conducts business.
- Consultation and training fee
- Manufacturing quotas
- Product recalls are the responsibility of the Licensees unless caused by the Company by breach of the License Agreement
- Licensee and the Company provide mutual indemnifications, however, neither party is liable for any indirect, incidental, consequential, exemplary, special, or punitive damages. This limitation in damages does not apply to damages arising from violations of State Marijuana Rules, breaches of confidentiality, the License, gross negligence, and intentional misconduct.

- Licensee is required to carry product liability and contractual liability insurance with the single combined limit of U.S.$1,000,000 per occurrence and U.S.$2,000,000 aggregate and any other insurance required by the State Marijuana Rules.
- Licensee is required to perform tests and inspections specified in the Product Specifications provided by the Company.

5. Love's Oven, LLC of Denver Colorado

Date: March 17, 2022, for a term of three years in the state of Colorado.

Love's Oven produces, sells, and distributes Major and pays royalties based on products sold. Annual Sales Milestones for the three years of the License are U.S.$300,000, U.S. $1,000,000, and U.S.$1,500,000.

Under the agreement, The Partner agrees to produce, sell, and distribute the Products. The Partner has also agreed to certain quality controls and inspections during the term. Both parties have agreed to certain marketing commitments in the first year to ensure that the products are successful in the marketplace.

The Licensed Products

The Licensed Products use SoRSE's Emulsion Technology, a core ingredient that allows for superior taste and smell and allows for the effects of THC to take effect within 15 minutes, a notable difference from most other cannabis edibles that have unpredictable onsets of 45 minutes to 2 hours.

Both consumer and pharmacokinetic studies have shown that beverages with SoRSE's Emulsion Technology deliver the effects of cannabis within 15 minutes and have a predictable offset of 90-120 minutes. They also provide significant production advantages and have proven shelf stability, a significant challenge with cannabis beverages.

THC Essentials has delivered other product formats, including Pearl™, a THC concentrate, and Velvet Swing, a cannabis sex lubricant. While these products have not had the same sales success as the THC beverages, the Company believes that as the market continues to grow, these products will gain in popularity as consumers continue to seek new formats to enjoy cannabis.

Bottling, Labels, and Flavoring
The Company provides packaging as part of its fee in collecting royalties. THC Essentials procures proprietary designed bottles from several manufacturers in California and British Columbia. Bottles are produced and sent either directly to the manufacturers of the cannabis drinks or to the Company to hold in inventory. Typically, the Company has procured bottles on a "just-in-time" basis but may purchase in greater bulk to realize better pricing.

THC Essentials produces labels in a similar manner. Labels and associated packaging are designed by THC Essentials specifically for each state's regulatory requirements, printed, and sent directly to our partners for production.

Flavors specific to each Licensed Product are purchased in bulk and held in storage and provided to customers at each production run as part of their royalty payment. Flavoring represents less then 1% of each unit but offers another control in the royalty collection process and protection of intellectual property related to each Licensed Product.

Revenue Model:
SoRSE has been generating revenue from licensing the trademarks for the cannabis drinks since 2018. The revenue from the license/royalty agreements that are being acquired is below. Revenues are not associated with the sale of the THC Emulsion but from the brands and formulas. Expenses are attributed to certain packaging and administration costs, amounting to approximately 50% of royalty revenues. Revenue to the Company will be derived from royalties paid from wholesale sales by the Licensees from the continued licensing of the Trademarks and Licensed Know-How. The royalties range from 10% to 20% of gross sales by the drink manufacturers.

See Schedule E, Audited carveout income statement of SoRSE, regarding the operations of THC Essentials.

THC Essentials will comprise 100% of the business operations of the Company.

Competitive Advantage and Competition
Competition for THC Essentials is comprised of both direct competitors with beverage products as well as all other cannabis products, such as edibles and smokeable flower. The cannabis industry is highly fragmented due to the nature of its early stage and a lack of federal legalization efforts.

The six largest U.S. MSOs combined accounted for approximately U.S.$5.0 billion (20%) of cannabis industry revenue in 2021. No single competitor represented as much as 5% of the total. Approximately 9,900 small companies, with average revenues of around U.S.$1.6 million, accounted for over 60% of total industry sales. (Benzinga report, November 2022). As the industry gets closer to federal legalization, a wave of consolidation is anticipated as companies seek to position themselves to achieve economies of scale in production, marketing, and logistics that are not yet available in the state regulatory regimes.

Direct competitors to THC Essentials are listed below. These are companies that are specifically focused on the production, manufacturing, and distribution of cannabis beverages. THC Essentials believes that it possesses a structural advantage over these companies in being an "asset-light" company focused on licensing that does not require capital investment in property, equipment, or salesforces.

Competitor Comparison
THC Essentials competes with a variety of products and companies in each market where it currently operates.

Competitor Name and Location	Description of Business, Size of Assets, and Website	Comparison to THC Essentials Licensed Products
Dogtown Pioneers Inc. (private)	www.rayslemonade.com Produced and distributed in Washington State only.	Sold as smaller-format shots. The taste of Major has been said to be superior, but Rays has been an excellent marketer of its products at low price points.
Keef (private; Colorado-based, sells in several states)	https://keefbrands.com/thc-beverages/ Established in Boulder, Colorado in 2010, Keef Brands is a leader in the cannabis beverage space with a suite of products offering Infused Beverages as an alternative to alcohol.	Keef provides a series of beverages in the 100 mg category. Its product format has traditionally been in a can, which can be a detriment as consumers often wish to consume over a period of time.
Cann (private; several markets)	www.drinkcann.com Cann says it is reshaping social drinking with its microdosed, non-alcoholic beverages advertised as vegan, gluten-free, and with only 35 calories. Each Cann has five all-natural ingredients with a strength that is similar to a beer or glass of wine. There are no artificial sweeteners or flavors, sugar substitutes, or cannabis taste.	Cann is a leading cannabis beverage brand. The company has a focus on lower-dose products, which are preferred by early "canna-curious" users. Major outperforms Cann where users are looking for a more potent beverage with stronger effects.
Uncle Arnies (private; California)	https://unclearnies.com 100 mg Iced Tea Lemonade. It has been the best-selling cannabis beverage in California and is adding more flavors and products to the brand. It also sells cannabis edibles.	Uncle Arnies has been a leader for cannabis beverages in California. With a strong flavor profile and compelling marketing, it is a challenging competitor. Major challenges Uncle Arnies by providing a wider array of flavors and delivery in a resealable bottle that can be enjoyed over time. The Company is not renewing the License for California.

Specialized Skill and Knowledge

Over time, the Company has developed specialized knowledge regarding the marketing of cannabis beverages using certain programs related to "budtender" education. This includes the provisioning of certain literature, rewards programs (where legal), and online training platforms that allow for retail salespeople to explain the advantages of THC Essentials products.

In addition, the Company provides its Licensees insight and know-how regarding the production of beverages for both small-scale and large-scale production, testing, analysis, and storage. While many producers have knowledge regarding the creation of flower-based products, many are not experienced in the production of cannabis beverages.

Intellectual Property
Patents

In January 2018, the Company filed a provisional patent application, "Cannabinoids and derivatives for promoting immunogenicity of tumour and other infected cells", covering cannabinoid-like compounds that restore immune recognition of cancer cells thus increasing their subsequent destruction. The non-provisional application was filed on January 21, 2019 with co-inventors from UBC. This provisional patent has recently been returned to UBC.

Pursuant to the terms of the license agreement with the University of Washington in October 2018, the Company has retained the patent portfolio surrounding development of a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. The patent "Composition and methods for treating glioblastoma"

filed in August 2011 by the University of Washington was granted by the United States Patent and Trademark Office in May 2015 (US Patent Number: 9,034,895) with expiry in November 2031.

In August 2018, the University of Washington filed a provisional patent titled "Modified Carbazoles Destabilize Microtubules and Kill Glioblastoma Multiforme Cells and BRAF Mutant Cancers," covering the cannabinoid-based compounds for treatment of glioblastomas and brain metastases. In August 2019, the Company filed a non-provisional patent application for patent protection. The Company has returned these provisional patents to the University of Washington.

In July 2019, the Company filed a provisional patent titled "Composition and Methods of Targeting the Pre-B Cell Receptor for the Treatment of Leukaemias and Lymphomas. In July 2020, the Company filed a non-provisional application for patent protection. The company has abandoned this patent application.

In July 2020, the Company filed a provisional patent titled: "Method of Treating Coronavirus Infections with Cannabinoids and Derivatives". In July 2021, the Company filed a non-provisional application for patent protection. This patent has been returned to UBC.

PATENT NUMBER	COUNTRY	APPLICANT/ASSIGNEE	TITLE	FILING/EXP DATE	STATUS
16/963,894	US	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	22-Jul-20	Published
AU-2019210332	Australia (AU)	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	19-Aug-20	Published
CA-3096287	Canada (CA)	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	14-Jul-20	Published
EP-3743061	Europe (EP)	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	18-Aug-20	Published
IL-275934	Israel (IL)	Pascal Biosciences	Cannabinoids and Derivatives for Promoting Immunogenicity of Tumor and Infected Cells	9-Jul-20	Published

U.S Trademark Applications

No.	Case No.	Status	Applicant	Mark	International Classes	Comments
1.	**181.1881.US.ITU** 87/902,970 Filed: 5/1/18 Principal register Basis: 1(b)	**Allowed**	SoRSE Technology Corporation	PEARL2O	IC 032: drinking water; water beverages; bottled drinking water, all of the foregoing containing hemp seed derived products and containing no CBD or THC.	Statement of Use [(1)] or Extension of Time due by 4/6/2023.
2.	**181.1885.US.ITU** 87/902,978 Filed: 5/1/18 Principal register Basis: 1(b)	**Allowed**	SoRSE Technology Corporation		IC 005: Medical lubricants, namely, vaginal lubricants; personal lubricants; personal sexual lubricants.	Statement of Use due by 3/3/2023. **No more extensions of time available**. Notice of Allowance [(2)] on 3/3/2020.
3.	**181.1886.US.ITU** 87/902,985 Filed: 5/1/18 Principal register Basis: 1(b)	**Allowed**	SoRSE Technology Corporation	UTOPIA	IC 032: Sparkling water; flavored sparkling water; flavored water; powders for use in water beverages; all of the foregoing containing hemp seed derived products.	Statement of Use or Fifth (last) Extension of Time due by 9/9/2023. Notice of Allowance on 3/9/2021.
4.	**181.1905.US.ITU** 87/902,996 Filed:5/1/18 Principal register Basis: 1(b)	**Allowed**	SoRSE Technology Corporation	REEB	IC 032: Non-alcoholic beer; non-alcoholic barley flavored drinks; all of the foregoing containing hemp seed derived products and containing no CBD or THC.	Statement of Use or Fifth (last) Extension of Time due by 7/12/2023. Notice of Allowance on 1/12/2021.
5.	**181.1906.US.ITU** 87/903,001 Filed: 5/1/18 Principal register Basis: 1(b)	**Allowed**	SoRSE Technology Corporation	PEARL MIXER	IC 032: drinking water; water beverages; bottled drinking water, all of the foregoing containing hemp seed derived products and containing no CBD or THC.	Statement of Use or Extension of Time due by 4/6/2023. Notice of Allowance on 10/6/2020.
6.	**181.2314.US.ITU** **97/786,860** **Filed 2/8/2023**	**New**	SoRSE Technology Corporation	MAJOR	Non-carbonated fruit flavored beverages; non-carbonated fruit flavored beverages containing hemp	Awaiting Examination

(1) Statement of Use is evidence that the trademark is being used.

(2) A Notice of Allowance is a written notification from the USPTO that a specific mark has survived the opposition period following publication in the Trademark Official Gazette and has consequently been allowed; it does not mean that the mark has registered yet.

Registered WA Trademarks

No.	Case No.	Status	Applicant	Mark	International Classes	Comments
1.	**181.1881.WA.TM**	**Registered** **No.** 1078241 **Date:** 3/8/2018	Sorse Technology Corporation	PEARL2O	IC 032: Light beverages.	Renewal Date: **3/8/2028**
2.	**181.1882.WA.TM**	**Registered** **No.** 1078242 **Date**: 3/8/2018	Sorse Technology Corporation	VERTUS	IC 033: Wines and Spirits	Renewal Date: **3/8/2028**
3.	**181.1883.WA.TM**	**Registered** **No.** 1078239 **Date**: 3/8/2018	Sorse Technology Corporation	HAPPY APPLE	IC 032: Light beverages.	Renewal Date: **3/8/2028**
4.	**181.1885.WA.TM**	**Registered** **No.** 1078243 **Date**: 3/8/18	Sorse Technology Corporation	VELVET SWING	IC 005: Pharmaceutical	Renewal Date: **3/8/2028**
5.	**181.1886.WA.TM**	**Registered** **No.** 1078240 Date: 3/8/18	Sorse Technology Corporation	UTOPIA	IC 032: Light beverages.	Renewal Date: **3/8/2028**
6.	**181.1905.WA.ITU**	**Registered** **No.** 1079270 **Date**: 1/25/2019	Sorse Technology Corporation	REEB	IC 032: Light Beverages	Renewal Date: **1/25/2024**

Foreign Trademark Applications

No.	Case No.	Country/Status	Applicant.	Title	International Class	Comments
1	**181.1881.CA.ITU** No.1885646 Filed 3/1/18	**Canada** **Registered** No.: 1,083,107 Date: 10/2/2020	SoRSE Technology Corporation	Pearl20	IC 032: Aerated mineral water; aerated water; carbonated mineral water; carbonated water; distilled drinking water; effervescent water; flat water; flavoured water; mineral water; sparkling water; soda water; spring water; tonic water; drinking water; bottled drinking water; aerated mineral water, aerated water, carbonated mineral water, carbonated water, distilled drinking water, effervescent water, flat water, flavoured water, mineral water, sparkling water, soda water, spring water, tonic water infused with cannabis; drinking water infused with cannabis; bottled drinking water infused with cannabis	First renewal fee due by 10/2/2030.
2	**181.1883.CA.ITU** No.1885647 Filed 3/1/18	**Canada** **Registered** No.: 1,075,737 Date: 3/23/2020	SoRSE Technology Corporation	HAPPY APPLE	IC 032: Fruit Flavored drinks; fruit flavored carbonated drinks; fruit drinks; fruit flavored drinks infused with cannabis; fruit flavored carbonated drinks infused with cannabis; fruit infused with cannabis.	First renewal fee due by 3/23/2030.
3	**181.1885.CA.TM** No.1885649 Filed 3/1/18	**Canada** **Registered** No.: 1,075,733 Date: 3/23/2020	SoRSE Technology Corporation	VELVET SWING	IC 005: Medical lubricants, namely, vaginal lubricants; personal lubricants; personal sexual lubricants; medical lubricants, namely, vaginal lubricants infused with cannabis; personal lubricants infused with cannabis; personal sexual lubricants infused with cannabis; medical lubricants infused with cannabis.	First renewal fee due by 3/23/2030.
4	**181.1905.CA.TM** No.1927902 Filed 10/30/18	**Canada** Allowed	SoRSE Technology Corporation	REEB	IC 032: Non alcoholic beer, non alcoholic barley flavored drinks.	Approval Notice of 6/10/2022
5	**181.1906.CA.TM** No.1927903 Filed 10/30/18	**Canada** **Registered** No.: 1,109,880 Date: 09/21/2021	SoRSE Technology Corporation	PEARL MIXER	IC 032: Water; drinking water, water beverages; bottled drinking water	First renewal due by 09/21/2031
6	**181.1949.MA.TM** No.1963897 Filed 5/21/19	**Canada** Pending	SoRSE Technology Corporation	MAJOR	IC 032: Non-carbonated fruit flavored beverages.	Awaiting Examination
7	**181.1949.MA.TM** Appl No.A0086222 Reg. No. 1474452	**EU** Registered	SoRSE Technology Corporation	MAJOR	IC 032: Non-carbonated fruit flavored beverages.	Renewal by 5/21/2029

Personnel
As at the date of this Listing Statement, the Company does not have any employees.

On completion of the Reorganization, the Company will employ John Kueber as the CEO to run its THC Essentials operations in Seattle, Washington. No other employees are anticipated at this time, as the Company outsources the manufacture and shipping of the bottles and labels used by its manufacturing partners to make the Products. The Company may retain a director of marketing and operations assistant as its business develops and revenues become adequate to support an additional employee.

2023 Marketing/Operations

In 2023, the Company plans to grow its overall revenues and royalties with the following strategies:

1. *Continue to expand to additional states:* The Company is engaged in discussions with potential partners in Nevada, Illinois, and Michigan and expects to launch its products in those states in early 2023.

2. *Introduce new flavors to existing partners*: Currently, Major's five flavors account for 98% of revenues for THC Essentials. Through the introduction of Major Sleep and Major Awake to Washington, Oregon, Arizona, and Ohio, the Company believes it can increase sales and royalty revenues.

3. *Continue to develop the Major brand:* In recent years, SoRSE has engaged in very little marketing. It invested in budtender education, social media, and some light promotion, but the Company believes that investing in some additional awareness of the Major product will results in greater sales beyond what it invests in promotion.

Business Activity/Milestone	**Timeframe**	**Investment U.S.$**
Expand marketing in existing markets	May 2023	$10,000/year
Launch Nevada Market	May 2023	$10,000/year
Launch Michigan Market	May 2023	$10,000/year
Launch Illinois Market	July 2023	$20,000/year
Launch additional products to AZ, OH, and OR	July 2023	$20,000/year
Cannabis store marketing, Social Media Marketing	March 2023 to February 2024	$50,000/year
Industry events and outreach. awareness building	March 2023 to February 2024	$50,000/year
Total U.S. $		$170,000
Total Canadian $		$224,400

*The Bank of Canada exchange rate for U.S. $ on June 27, 2023 was 1.32.

The CEO, John Kueber, and the Company have entered into an engagement agreement dated January 4, 2023, effective on the Listing Date, to retain the Mr. Kueber as the CEO of the Company, to appoint him as a director, pay him a monthly salary of U.S.$10,000, and to grant him 1,790,000 Stock Options, effective on the Listing Date, exercisable at a price of $0.10 for a term of five years. Mr. Kueber's salary will be paid from the revenue from THC Essentials operations.

Available Funds and Principal Purposes

Working Capital: As of May 31, 2023, the Company had a consolidated working capital deficiency of approximately $943,583, comprised of current assets of $180,789 comprised of cash and cash equivalents of $153,849, prepaid expenses of $19,841, and receivables of $7,099, minus current liabilities of $1,124,372, comprised of accounts payables and accrued liabilities of $814,166 and a short-term loan payable of $310,206. The short-term loan was to pay the Company's operating expenses and the costs of the Reorganization.

Regarding the current liabilities of $1,124,372:

(i) $593,048.61 has been settled by the issue of 1,246,372 consolidated Shares at $.40 per Share; and
(ii) $179,912.49 is being paid in the year following the month after the Listing Date to creditors pursuant to the Payment Plan. The balance of $45,776.55 due to these creditors will be paid in the second year following the Listing Date.

The balance of the accounts payable and short-term loan is $277,195.60.

Available Funds: After paying a commission of $106,785, equal to 7% of the funds raised by the finder for the Private Placement of $2,000,000, the net proceeds will be $1,893,215.

Principal Purposes of the estimated available funds are as follows:

Item	**Estimated Cost ($)**
THC Essentials Acquisition price paid on the Listing Date	825,000 [(1)]
General and administrative costs (see Table 1 below)	185,400
2023 Marketing/Operations (See "Narrative Description of the Business")	224,500[(1)]
Creditors on the payment plan	179,912
Balance of current accounts payable and short term loan	277,195
Non current liabilities	53,592
Balance of Reorganization costs and Closing and Listing costs	45,000
Unallocated	102,716
Total	**1,893,215**

(1) U.S.$625,000 is due to SoRSE on the Listing Date. The figure of CAD$825,000 is based on the Bank of Canada U.S. $ exchange rate of 1.32 on June 27, 2023. The figure of $224,400 for the U.S. operation for 12 months post Listing is based on the same exchange rate. In the event of a change in the exchange rate these two figures may increase or decrease.

Table 1

General and Administrative Expenses of the Company (Consolidated)	**Monthly Amount $**	**Annual Amount $**
CFO, corporate secretary fees (See "*Directors and Executive Officers*")	2,800	33,600
CSE monthly listing fees	1,000	12,000
Legal	1,000	12,000
Audit fees	2,500	30,000
Annual filing fees	150	1,800
Transfer Agent	500	6,000
Seattle office, accounting, misc.	6,000	72,000
Accounting, tax compliance, and bookkeeping services	1,500	18,000
Total	15,450	185,400

The actual amount that the Company spends in connection with each intended use of funds may vary significantly from the amounts specified above and will depend on a number of factors, including those listed under the heading "Risk Factors" and the success of the Company's Business Plan. See "Narrative Description of the Business."

The Company intends to spend the funds available to it as stated in this Listing Statement. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Company to achieve its stated business objectives. The actual use of available funds will vary depending on the Company's operating and capital needs from time to time and will be subject to the discretion of the management of the Company.

Business Objectives and Milestones

The Company's business objective is to list on the CSE and to expand its operations in the U.S. General administrative costs of $185,400, payments to creditors of $179,912, and liabilities of $197,393 will be paid in the first 12 months following listing. See "*Use of Funds.*"

Event	**Time Frame**	**$**
Listing on the CSE	Within a week of the date of this Listing Statement	
Expand Operations in the U.S.	Continuously over 12 months post listing	228,395

The Board may, in its discretion, approve asset or corporate acquisitions or investments based upon the Board's consideration of the qualitative aspects of the subject acquisitions, including risk profile, technical upside, asset quality, and other factors. Such acquisitions may require shareholder or regulatory approval. See "*Narrative Description of the Business.*"

The Company intends to spend a significant portion of the funds available to it according to the "Use of Funds" as stated in this Listing Statement. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "*Narrative Description of the Business*" and "*Risk Factors.*"

The Company had negative cash flows for the year ended November 30, 2022, of ($480,289) and for the year ended November 30, 2021, of ($1,088,931). There is no assurance that the Company will be able to generate a positive cash flow from its expected and planned operations for the next 12 months. As a result, the Company may be required to raise additional capital or other types of financing. There is no assurance that these financings will be available when needed or that they will be on terms favourable to the Company. Refer to:

(i) "*Executive Summary – Statement of Operations*";
(ii) "*Risk Factors"*;
(iii) Consolidated financial statements of the Company for the years ended November 30, 2022, and November 30, 2021, and the accompanying Management Discussion and Analysis for the year ended November 30, 2022, which are attached hereto as Schedules A and B;
(iv) Consolidated financial statements of the Company for the years ended November 30, 2021, and November 30, 2020, and the accompanying Management Discussion and Analysis for the year ended November 30, 2021, which are attached hereto as Schedules C and D;
(vi) Audited carveout income statements of SoRSE for the years 2022, 2021, and 2020, which are attached hereto as Schedule E; and
(vii) Audited carveout statement of acquired assets of THC Essentials as at June 30, 2023, which are attached hereto as Schedule F;
(vi) Pro-forma statements of the Company to November 30, 2022, which are attached hereto as Schedule G.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Statement of Operations of the Company

	Fiscal Year Ended Nov. 30, 2022 (audited)	Fiscal Year ended Nov. 30, 2021 (audited)	Fiscal Year ended Nov. 30, 2020 (audited)
Revenue	0	0	0
Expense	(444,117)	(1,038,208)	(1,284,496)
Net income (loss)	(356,165)	(1,088,931)	(1,237,927)
Net income (loss) per Share	(0.01	(0.02)	(0.02)
Weighted average number of Shares outstanding	65,546,824	63,484,358	55,400,349
Balance Sheet			
Total assets	155,903	155,518	120,714
Short term liabilities	(973,893)	(646,483)	(473,053)
Long term liabilities	0	0	0
Shareholder's equity (deficiency)	(819,990)	(419,295)	(352,339)
Cash dividends per Share	0	0	0

Comparative audited financial statements for the fiscal years ended November 30, 2022, and November 30, 2021, and comparative audited financial statements for the years ended November 30, 2021, and November 30, 2020 , are attached as Schedule "A" and Schedule "C," respectively, to this Listing Statement. MD&A for the financial years ended November 30, 2022, and November 30 2021, are attached as schedules "B" and "D," respectively, to this Listing Statement.

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight most recently completed quarters of operation, prepared in accordance with IFRS and expressed in Canadian dollars.

	2023		2022				2021	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
		$	$	$	$	$	$	$
Revenue	0	0	0	0	0	0	0	0
Net and Comprehensive Gain (loss)	(132,634)	201,453	94,730	48,633	135,464	402,196	241,275	286,089
Basic and Diluted loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)

Dividends

The Company has not paid any dividends since incorporation, and it has no plans to pay dividends for the foreseeable future. The directors of the Company will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the Common Shares are entitled to an equal share of any dividends declared and paid.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The MD&A for the financial year ended November 30, 2022, is attached as Schedule “B” hereto. The MD&A for the financial year ended November 30, 2021, is attached as Schedule “D” hereto.

7. MARKET FOR SECURITIES

The Company was listed on the TSX.V from May 2012 until May *, 2023, when it delisted from the TSX.V. It has applied to list its Shares on the CSE. The CSE has issued a conditional listing letter, dated April *, 2023. Listing will be subject to the Company fulfilling all the listing requirements of the CSE, including, without limitation, the distribution of the Shares to a minimum number of public shareholders, the Company meeting certain financial and other requirements and completing the Reorganization on the Listing Date.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the share and loan capital of the Company as at the dates below. The table should be read in conjunction with, and is qualified in its entirety by, the Company’s consolidated financial statements for the years ended November 30, 2022, and November 30, 2021, and the MD&A for the financial year ended November 30, 2022, attached as Schedules “A” and “B,” and the consolidated financial statements for the years ended November 30, 2021, and November 30, 2020, and the MD&A for the financial year ended November 30, 2021, attached as Schedules “C” and “D.”

Description	Amount Authorized at the date of this Listing Statement	Outstanding as at Nov. 30, 2022 (audited)	Outstanding as at the date of this Listing Statement (unaudited) [(1)]	Outstanding on completion of the Reorganization on the Listing Date. (unaudited)[(2)]	Outstanding on a fully diluted basis (unaudited)[(3)]
Shares	Unlimited	65,594,768	29,560,325	38,140,325	51,633,075

(1) This figure is the 65,594,768 issued as at November 30, 2022, consolidated to 13,118,954 Shares.

(2) This figure includes: (1) 13,118,954 Shares issued prior to the Listing Date; (ii) 1,246,372 consolidated Shares for Debt issued on June 30, 2023; (iii) 15,195,000 Shares issued on June 30, 2023 as a partial close of the Private Placement of $2,000,000 and (iv) 3,775,000 Shares issued on June 39, 20230 for the Acquisition of THC Essentials.

(3) This figures includes: (i) 38,140,325 Shares issued on the Listing Date; (ii) 2,730,000 Shares issued on the exercise of Stock Options; (iii) 10,000,000 Shares on the exercise of 10,000,000 warrants issued to the subscribers of the Private Placement; (iv) 762,750 Shares issued on the exercise of 762,750 share purchase warrants issued on the Listing Date to the Finders for the Private Placement. See "*General Development of the Company*," "*Options to Purchase Securities*," and "*Material Contracts.*"

9. OPTIONS TO PURCHASE SECURITIES

Stock Option Plan:

The Company had a "10% rolling" stock option plan, whereby a maximum of 10% of the issued Common Shares, from time to time, may be reserved for issuance under the Option Plan provided that as long as the Company is a capital pool company (as defined in the policies of the TSXV), such number may not exceed 10% of the Common Shares outstanding as at the closing of the Company's initial public offering. On June 12, 2023, the Directors approved a replacement 10% rolling stock option plan compliant with the polices of the CSE, which has the same terms as the prior stock option plan except that the exchange referred to is now the CSE. Shareholder acceptance of the new plan will be obtained at the next annual and special general meeting of the Company. The Option Plan is administered by the Company's board of directors. The current option plan has the following principal terms. It is anticipated that the new option plan will have the same terms.

1. The aggregate number of Common Shares that may be issued and sold under the Option Plan will not exceed 10% of the issued and outstanding Common Shares at the time of grant of any Option under the Option Plan.

2. The option price of any Common Shares in respect of which an Option may be granted shall be fixed by the Board provided that the minimum exercise price shall not be less than the market price of the Common Shares at the time the option is granted, less the discounts permitted by the CSE.

3. Options under the Option Plan may be granted by the Board to directors, senior officers, employees, or consultants of the Company, collectively known as the "Participants."

4. Options granted under the Option Plan are exercisable over a period not exceeding ten years, provided that notwithstanding the foregoing, if the term of any Option granted under the Option Plan ends on a day occurring during a blackout period (being the period imposed by the Company during which insiders are prohibited from trading in the securities of the Company) or within nine business days thereafter, such expiry date of the Option shall be automatically extended without any further act or formality to the date that is the tenth business day after the end of the blackout period, such tenth business day to be considered the expiry date for such Option for all purposes under the Option Plan.

5. Subject to any vesting restrictions imposed by the CSE, the Board may determine, in its sole discretion, the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.

6. No single Participant may be granted options to purchase a number of Common Shares equaling more than 5% of the issued Common Shares in any one 12-month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable CSE requirements.

7. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12-month period to any one consultant of the Company (or any of its subsidiaries).

8. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Company in any 12-month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any three-month period.

9. If a Participant ceases to be a technical consultant / non-technical consultant or employee of the Company or any of its subsidiaries as a result of retirement, resignation, or termination without cause, such Participant shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such a Participant, if earlier) from the date of ceasing to be a technical consultant / non-technical consultant or employee to exercise all unexercised option rights of that Participant under the Option Plan to the extent that they were exercisable on the date of ceasing to be a technical consultant / non-technical consultant or employee, provided that if such Participant was engaged in investor relations activities, such exercise must occur within 30 days after the cessation of the Participant's services to the Company (subject to extension at the discretion of the Board).

10. If a Participant ceases to be a director or officer of the Company or any of its subsidiaries as a result of retirement, resignation, or termination without cause, subject to the discretion of the Board, such Participant shall have the right for a period of one year (or until the normal expiry date of the option rights of such a Participant, if earlier) from the date of ceasing to be a director or officer to exercise all unexercised option rights of that Participant under the Option Plan to the extent that they were exercisable on the date of ceasing to be a director or officer.

11. No right or interest of any Participant in or under the Option Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution.

12. In the event that an Option granted under the Option Plan expires unexercised, is terminated by reason of dismissal of the Participant for cause, or is otherwise lawfully cancelled prior to exercise of the option, the option Common Shares that were issuable thereunder will be returned to the Option Plan and will be eligible for reissuance.

13. Subject to applicable approval of the CSE, the Board may, at any time, suspend or terminate the Option Plan, or amend or revise the terms of the Option Plan, provided that no such amendment or revision shall result in a material adverse change to the terms of any Options theretofore granted under the Option Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

The following table summarizes the allocation of the Stock Options granted and authorized to be granted by the Company to the date of this Listing Statement.

Optionee	Number of Options Post-Consolidation	Exercise Price Post-Consolidation	Expiry Date
Executive officers as a group [1]	1,790,000	$0.10	Five years from the Listing Date
Directors as a group [2]	450,000	$0.10	Five years from the Listing Date
Directors as a group	75,000	$1.75	August 2, 2023
Directors as a group	80,000	$0.40	April 26, 2026
Former directors as a group	100,000	$0.40	April 26, 2026
Former directors as a group	40,000	$0.75	August 2, 2023
Former directors as a group	85,000	$1.75	August 2, 2023
Former directors as a group	110,000	$0.40	April 26, 2026
Total	2,730,000		

(1) Issued to John Kueber, the CEO
(2) Issued to John Bell as to 250,000 and to Vahan Ajamian as to 200,000.

Outstanding Warrants on the Listing Date

Number of Warrants Pre-Consolidation	Number of Warrants Post-Consolidation	Exercise Price Post-Consolidation	Expiry Date
	10,000,000[1]	0.20	One year from the Listing Date
	762,250 [2]	0.20	One year from the Listing Date

[1] On the closing of the Private Placement of 20,000,000 Units on the Listing Date, subscribers to the Private Placement will receive one Share and one-half Share Purchase warrant. One whole warrant will entitle the holder to acquire one additional Share.

[2] On the closing of the Private Placement of 20,000,000 Units on the Listing Date**, a** finder will be issued 762,500 warrants equal to 5% of the 15,255,000 Units placed by the finder.

10. DESCRIPTION OF THE SECURITIES

Authorized and Issued Share Capital

The Issuer's authorized share capital consists of an unlimited number of Shares without par value, of which 33,335,325 Shares are issued and outstanding at the date of this Listing Statement.

On the Listing Date: (i) 4,805,000 Shares will be issued to close the Private Placement resulting in 38,140,325 Shares issued on the Listing Date.

See "*General Development of the Business*" and "Material Contracts".

Shares

All of the Shares of the Issuer rank equally as to voting rights, participation in a distribution of the assets of the Issuer on the liquidation, dissolution, or winding-up of the Issuer, and entitlement to dividends. The holders of the Shares are entitled to receive notice of all meetings of shareholders and to attend and vote such shares at the meetings. Each Share carries with it the right to one vote. The Shares do not have pre-emptive rights, are not subject to redemption, have no sinking or purchase fund provisions, have no provisions restricting the issuance of additional securities or any other material restrictions, nor a requirement to contribute additional capital. Holders of the Shares are entitled to receive such dividends as may be declared by the Board of Directors out of funds legally available therefor. In the event of dissolution or winding up of the affairs of the Issuer, holders of the Shares are entitled to share rateably in all

assets of the Issuer remaining after payment of all amounts due to creditors.

Listing of the Shares is subject to the Company fulfilling all of the listing requirements of the CSE.

Prior Sales

No shares have been issued in the past 12 months.

Stock Exchange Price

The Shares were listed and posted for trading on the TSX.V under the trading symbol "PAS" until being delisted on May *, 2023. The Shares are also listed on the Frankfurt Stock Exchange, symbol 6PB-FF and traded on the OTC, symbol PSCBF. The following table sets forth the high and low trading prices and trading volume of the Common Shares as reported by the TSX.V for its two most recently completed financial years ending November 30, 2022, and November 30, 2021, and for the month of December 2022 through December 5, 2022, when the Shares were halted from trading.

Month	High ($)	Low ($)	Total Volume
December 2022	0.02	0.02	4,000
November 2022	0.02	0.02	116,490
October 2022	0.30	0.02	266,296
September 2022	0.02	0.02	185,173
August 2022	0.02	0.02	791,393
July 2022	0.04	0.03	936,618
June 2022	0.05	0.04	914,677
May 2022	0.05	0.04	818,033
April 2022	0.09	0.05	1,320,411
March 2022	0.10	0.08	556,400
February 2022	0.09	0.08	392,099
January 2022	0.08	0.06	1,173,370
December 2021	0.12	0.08	1,661,115
November 2021	0.11	0.085	591,038
October 2021	0.10	0.08	475,100
September 2021	0.10	0.075	1,405,499
August 2021	0.095	0.075	805,133
July 2021	0.12	0.08	591,038
June 2021	0.14	0.095	927,216
May 2021	0.13	0.10	595,226
April 2021	0.10	0.08	1,316,936
March 2021	0.105	0.09	917,567
February 2021	0.145	0.095	2,502,358
January 2021	0.135	0.095	2,147,260
December 2020	0. 16	0.11	1,091,916

11. ESCROWED SECURITIES

Escrow under NP 46-201

As at the date of this Listing Statement, no Shares are subject to escrow.

12. PRINCIPAL SHAREHOLDERS

Upon completion of the Reorganization, on the Listing Date, there will be 38,140,325 Shares issued and, to the knowledge of the Company's directors and officers, no person will beneficially own or exercise, directly or indirectly, control or direction over more than 10% of the votes attached to the Shares.

13. DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

Name, Position with Company and Province and Country of Residence	Date of Appoint-ment to Office	Principal Occupation for Past Five Years	Shares Held as of the Date of This Listing Statement	Shares Held on Completion of the Reorganization on the Listing Date	% of Shares Held on completion of the Reorganization on the Listing Date
John Kueber CEO and Director Seattle, Washington	June 12, 2023	CEO of jrrny.com 2016-2019 until acquisition by SoRSE in 2019; Executive Vice President and Chief Revenue Officer of SoRSE from February 2019 until September 2022; CEO and director of the Company from June 12, 2023.	1,445,000	1,445,000	3.79%
Harold Forzley CFO Corporate Secretary British Columbia, Canada	May 4, 2020	Since August 1986, Mr. Forzley has operated Harold Forzley Consulting, which provides accounting services, business plans, and corporate analysis.	0	0	0
John Bell [(1)] Director and Chairman of the Board of Directors Cambridge, Ontario	June 12, 2023	CEO of Onbelay Capital Inc. from 1995 to present; director of Canopy Growth Corporation from 2014 to 2020; corporate director of several private and public firms. The list of public firms is shown below his name following this table.	500,000	500,000	1.31%
Vahan Ajamian [(1)] Director Toronto, Ontario	June 12, 2023	Capital Markets Advisor at High Tide Inc. (a Canadian cannabis company still active) from October 2020 to present; CFO & Corporate Secretary of Vext Science Inc. (a U.S. cannabis company still active) from March 2021 to May 2022; Managing Director, Analyst Relations of MedMen Enterprises, Inc. (a U.S. Cannabis company still active) in 2018 and 2019. Equity Research Analyst at Beacon Securities Ltd., providing coverage principally of cannabis stock, still active) from 2014 to 2018.	0	200,000	0.52%
Patrick Gray [(1)] Director Seattle, Washington Chairman of the Audit Committee	December 8, 2015	2015 to present: Director of Pascal Biosciences Inc. 2012 to September 3, 2021 and January *, 2023 to February *, 2023, CEO of Pascal Biosciences Inc.	1,760,175	1,760,175	4.61%

(1) Member of Audit Committee.

The term of office of the directors currently expires every year at the time of the Company's annual general meeting. The term of the office of the officers expires at the discretion of the Company's directors subject to any contractual terms.

Aggregate Ownership of Securities
The directors and officers of the Company, as a group, currently beneficially own, directly, or indirectly, 3,705,175 Shares representing 10.24% of the current issued and outstanding Shares of the Company. On completion of the Reorganization, the directors and officers as a group will own 3,905,175 Shares, representing 10.24% of the issued and outstanding Shares. On a fully diluted basis, assuming all 2,730,000 options are exercised, they will own 6,635,175 Shares representing 12.85% of the issued and outstanding Shares of the Company.

Management Experience

The following is a brief description of the management and key personnel of the Corporation.

John Kueber, Age 51 – CEO and Director

In 1993, John Kueber was granted a B.A. from the University of Washington and completed the Canadian Securities Course.

John Kueber served as the Executive Vice President and Chief Revenue Officer for SoRSE from February 2019 until September 2022. During this time, he has been responsible for securing numerous licensing and revenue opportunities for the company, generating in excess of $20,000,000 in revenues.

He has also founded, operated, and secured acquisitions for numerous early stage companies, including the following:

- Superbuild.com, Inc. (acquired by Hardware.com Inc. / Onvia Inc); Founder/CEO 1997-1999. Onvia was acquired by Deltek.

- Lucernex.com (acquired by Accruent Inc.); CEO 2000-2001. Accruent is still operating.

- Speechforms Inc. / Spoken Inc. (merged; acquired by Avaya Holdings Corp); Founder/CEO, 2001-2005. Avaya is still operating as a leader in the telecommunications industry.

- K Media Inc. (DBA Urban Pages Media; acquired by Tiger Oak Media Inc.) Mr. Kueber was the Founder/CEO from 2005 to 2008. Tiger Oak Media Inc. operated until 2021 and sold its assets to various parties.

From 2015-2018, Mr. Kueber was an interim CEO at several companies helping with turnarounds (Purehome.com, jrrny.com).

From 2016 to 2019, he was CEO of Jrrny Inc. (a proprietary social media and influencer platform, jrrny.com). In 2019, he sold Jrrny Inc. to SoRSE and became its Chief Revenue Office / Executive Vice President.

Mr. Kueber has not previously been a director of officer of a Reporting Issuer.

Employment Agreement

The Company and Mr. Kueber have signed a retainer letter dated December 29, 2022. Upon listing on the CSE, Mr. Kueber has agreed to a monthly salary of U.S.$10,000, which he has agreed will be paid from the revenue from THC Essentials. As a result, it is not included in the general and administrative expenses of the Company. If there is no revenue, he will not be paid. He has also been granted 1,790,000 Stock Options to acquire 1,790,000 Shares at a price of $0.10 per Share for a term of five years, to be effective post-closing of the Private Placement and THC Essentials acquisition on the Listing Date.

Mr. Kueber plans to spend 100% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

Harold ("Hardy") Forzley, Age 70 – CFO, Corporate Secretary

Mr. Forzley was granted a B.A. Commerce from Simon Fraser University, located in Burnaby, B.C., on May 1, 1978. He was licensed as a Certified Professional Accountant by the Chartered Professional Accountants of British Columbia in December 1980. Since August 1986, he has operated Harold Forzley Consulting, which provides accounting services, business plans, and corporate analysis.

Mr. Forzley plans to spend 10% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

Other Reporting Company Experience

Mr. Forzley is and has been a director and officer of other reporting companies operating in a variety of industries, as listed below.

Name of Reporting Company	Name or Exchange or Market	Position	From	To
Pacific Cascade Minerals Inc.	TSX.V	Director and President	December 2006	
Cabbay Holdings Corp.	CSE	Director	July 2018	February 2020
Grande Portage Resources Ltd.	TSX.V	Director and CFO	September 2006	April 2016
South Star Mining Corp.	TSX.V	Director	September 2005	December 2012
Canada Strategic Metals Inc.	TSX.V	Director	May 2010	November 2012

Non-Management Directors

John Bell, Age 75 – Director
Cambridge, Ontario

Mr. Bell earned a degree in Business at the Ivey School at Western University in 1970. Mr. Bell earned his CPA in 1973 and his FCPA in 2008. He earned his ICD.D designation from the Institute of Corporate Directors in 2012.

He is Chairman of Stack Capital Inc., a TSX-listed company investing in later-stage, pre-public private companies. He is Chairman of Pure Jamaican Limited, a producer of medical pharmaceutical cannabis for export. From 2014 to 2020, he was a BOD member and Chair of Canopy Growth and Canopy Rivers. He was founder, owner, and CEO of Shred-Tech Inc., a global manufacturer of shredding and recycling equipment and creator of the mobile shredding industry. He was owner and CEO of Polymer Technologies Inc., a global manufacturer of auto parts. He was Chairman and principal shareholder of BSM Technologies Inc. (TSX), a fleet management company, He was CEO and director of ATS Automation (TSX), with 23 global plants. A believer in community service, John has contributed to numerous organizations, including Cambridge Memorial Hospital (Chairman), Waterloo Regional Police (Chairman), Waterloo Region Prosperity Council (Chairman), and Crohn's and Colitis Canada (National Secretary). He is currently a Governor of the Stratford Festival.

He has been granted 250,000 Stock Options, effective on the Listing Date, to acquire 250,000 Shares at an exercise price of $0.10 per Share for a term of five years.

Other Reporting Company Experience

Mr. Bell is and has been a director of other reporting companies operating in a variety of industries, as listed below.

Name of Reporting Company	Position	Name or Exchange or Market	From	To
Stack Capital Inc.	Chair	TSX	April 2021	
Cure Pharmaceuticals Holding Corp.	Director	OTCQX	Nov. 2019	July 2022
Hexo Corp.	Chair	TSX	Dec. 2021	Feb. 2022
Canopy Growth Corporation	Director	TSX	Oct. 2014	March 2020
Canopy Rivers	Director	TSXV	May 2018	July 2019
Canopy Rivers	Director, Chair	TSX	July 2019	Sept. 2020
DelMar Pharmaceuticals	Director	NASDAQ	Feb. 2013	June 2020
Strongco Corporation	Director	TSX	July 2010	March 2019
NeutriSci International Inc.	Director	TSXV	April 2016	August 2016
Reliq Health Technologies Inc.	Director	TSXV	March 2015	June 2015
BSM Technologies Ltd.	Director	TSXV	Feb. 2006	May 2014

Mr. Bell plans to spend 10% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

Vahan Ajamian, Age 43 – Director
Toronto, Ontario

Mr. Ajamian received his Chartered Financial Analyst (CFA) designation in 2013 from the CFA Institute headquartered in Charlottesville, Virginia, and his CPA designation from the Ontario Society of Chartered Professional Accountants in 2005. He earned a B. Commerce in 2002 from Trinity College, University of Toronto, and an IB diploma and OSSD in 1998 from Upper Canada College in Toronto, Ontario.

Mr. Ajamian has held the following positions:

- CFO & Corporate Secretary of Vext Science Inc. (a U.S. cannabis company still active), from March 2021 to May 2022;
- Capital Markets Advisor of High Tide Inc. (a Canadian cannabis company still active) from January 2020 to March 2021;
- Managing Director, Analyst Relations of MedMen Enterprises, Inc. (a U.S. Cannabis company still active) in 2018 and 2019;
- Equity Research Analyst at Beacon Securities Ltd., providing coverage principally on cannabis stocks (still active), from 2014 to 2018;
- Equity Research Associate at TD Securities from 2006 to 2013; and
- Senior auditor at KPMG LLP from 2002 to 2006.

Other Reporting Company Experience

Mr. Ajamian is and has been an officer of other reporting companies operating in the cannabis area as listed below:

Name of Reporting Company	Position	Name of Exchange or Market	From	To
Vext Science Inc.	CFO	CSE	March 2021	May 2022
High Tide Inc.	VP Capital Markets	TSXV	October 2020	March 2021

He has been granted 200,000 Stock Options, effective on the Listing Date, to acquire 200,000 Shares at an exercise price of $0.10 per Share for a term of five years.

Mr. Ajamian plans to spend 10% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

Dr. Patrick Gray, Age 71 – Director
Seattle Washington

Dr. Gray received a B.Sc. Biology in 1971 from the University of Oregon, located in Eugene, Oregon, and a Ph.D. Chemistry in 1978 from the University of Colorado in Boulder, Colorado.

From 2015 to the present, he has been a director of the Company. From 2012 to September 2021 and from February 11, 2023 to April * 2023, he was CEO of the Company.

Dr. Gray has 119 published papers in his field of expertise and holds over 40 patents spanning more than 20 different technologies.

Mr. Gray plans to spend 10% of his working time on the business of the Company. He has not signed a non-disclosure or non-competition agreement.

Cease Trade Orders, Bankruptcies, Penalties, or Sanctions

Cease Trade Orders

Mr. Forzley is a director of Pacific Cascade Minerals Inc., which had a cease trade order ("CTO") issued to it by the British Columbia Securities Commission on February 5, 2016 for failure to file annual audited financial statements. Pacific Cascade Minerals Inc. filed all the required financial statements. The CTO was revoked on April 27, 2020.

To the Corporation`s knowledge, and other than as disclosed herein, no existing director, executive officer, or shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation is, as at the date of this Listing Statement, or was within ten years prior to the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:

(i) Was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer, or chief financial officer; or
(ii) Was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer and that resulted from an event that occurred while that person was acting in that capacity as director, chief executive officer, or chief financial officer.

For the purposes herein, "order" means:
(a) A cease trade order;
(b) An order similar to a cease trade order; or
(c) An order that denied the relevant company access to any exemption under securities legislation
that was in effect for a period of more than 30 consecutive days.

None of the directors or executive officers of the Company, or a shareholder holds a sufficient number of securities of the Company to affect materially the control of the Company. See "Principal Securityholders."

Halt Trades and Bankruptcies
To the Corporation`s knowledge, and other than as disclosed herein, no existing director or executive officer or a shareholder holding a sufficient number of securities of the Company to materially affect the control of the Corporation:

(a) Is, as at the date of this Listing Statement, or has been within the 10 years before the date of this Listing Statement, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt; made a proposal under any legislation relating to bankruptcy or insolvency; was subject to or instituted any proceedings, arrangement, or compromise with creditors; or had a receiver, receiver manager, or trustee appointed to hold its assets;

(b) Has, within the 10 years before the date of this Listing Statement, become bankrupt; made a proposal under any legislation relating to bankruptcy or insolvency; become subject to or instituted any proceedings, arrangement, or compromise with creditors; or had a receiver, receiver manager, or trustee appointed to hold the assets of the director, executive officer, or shareholder.

Penalties or Sanctions

To the Corporation`s knowledge, and other than as disclosed herein, no existing director or executive officer or a shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation has been subject to:

(a) Any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial or territorial securities regulatory authority, or has entered into a settlement agreement with a provincial or territorial securities regulatory authority; or

(b) Any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Company will not be devoting all of their time to the affairs of the Company, as they have employment outside of the Company and some are directors and officers of other companies, some of which are in the same business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances, this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

14. CAPITALIZATION

14.1 Prepare and file the following chart for each class of securities to be listed:

Issued Capital

	Number of Securities (Non-Diluted)	Number of Securities (Fully Diluted)	% of Issued (Non-Diluted)	% of Issued (Fully Diluted)
Public Float				
Total outstanding (A)	38,140,326	51,633,075	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	3,905,175	6,635,175	10.24%	12.85
Total Public Float (A-B)	34,325,150	44,997,900	89.76	87.15
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement, and securities held by control block holders (C)	25,021,372	36,021,372	65.60	69.45
Total Tradeable Float (A-C)	13,118,954	13,118,954	34.40	34.40

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	**Number of Holders**	**Total Number of Securities**
1 - 99 securities		
100 - 499 securities	1	200
500 - 999 securities		
1,000 - 1,999 securities	1	820
2,000 - 2,999 securities		
3,000 - 3,999 securities	1	3,000
4,000 - 4,999 securities		
5,000 or more securities	14	24,558,611
	14	24,562,631

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	**Number of Holders**	**Total Number of Securities**
1 - 99 securities	33	1,203
100 - 499 securities	70	16,168
500 - 999 securities	34	23,349
1,000 - 1,999 securities	43	50,091
2,000 - 2,999 securities	46	100,103
3,000 - 3,999 securities	11	32,161
4,000 - 4,999 securities	20	83,105
5,000 or more securities	170	15,097,338

Unable to confirm	51	21,532,763

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	**Number of Holders**	**Total Number of Securities**
1 - 99 securities		
100 - 499 securities		
500 - 999 securities		
1,000 - 1,999 securities		
2,000 - 2,999 securities		
3,000 - 3,999 securities		
4,000 - 4,999 securities		
5,000 or more securities	4	3,905,175
	4	3,905,175

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
None other than as disclosed elsewhere.		

See Item 9 "*Options to Purchase Securities*" regarding outstanding 2,730,000 issued stock options and stock options to be granted.

Outstanding Warrants on the Listing Date

Number of Warrants Post-Consolidation	Exercise Price	Expiry Date
10,000,000[(1)]	0.20	One year from the Listing Date
762,750 [(2)]	0.20	One year from the Listing Date

(1) These Warrants were issued to the subscribers of the Private Placement.

(2) These Warrants were issued to the finders of the Private Placement.

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

All securities reserved for issuance are described elsewhere in this Listing Statement.

15. EXECUTIVE COMPENSATION

During the year ended November 30, 2022, the Company had three NEOs: Brian Bapty, CEO; Robert Gietl, CEO; and Harold Forzley, CFO.

Compensation Discussion and Analysis

In assessing the compensation of its executive officers, for the year ended November 30, 2022 and prior years, the Company did not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board of Directors.

The Company's remuneration strategy is based on achieving the overall objective of growing net tangible assets and profitability.

The Company has a 10% rolling Stock Option Plan. One current director, Patrick Gray, and the former directors and the former CEO have stock options. On the Listing Date, the grant of Stock Options to the new CEO and new directors will be effective. See "*Options to Purchase Shares.*"

At this time, there are compensation agreements with the CEO and the CFO. See "*Directors and Officers*" for full details.

Option-Based Awards: No option-based awards have been granted.

Compensation of Named Executive Officers of the Company: The following table sets forth the compensation of the named executive officers and persons earning more than $150,000 annually for the three most recently completed fiscal years.

Name and principal position (a)	Year (b)	Salary ($) (c)	Share-Based Awards ($) (d)	Option-Based Awards ($) (e)	Non-Equity Incentive Plan Compensation ($)(f) Annual Incentive Plans (f1)	Long-Term Incentive Plans (f2)	Pension Value ($) (g)	All Other Compensation ($) (h)	Total Compensation ($) (i)
Brian Bapty, CEO[1]	2022	139,500[1]	Nil	28,772	Nil	Nil	Nil	Nil	168,272
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Gietl, Former CEO	2022	23,000	Nil	Nil	Nil	Nil	Nil	Nil	23,000
	2021	69,000	Nil	31,082	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Harold Forzley, CFO	2022	33,600	Nil	Nil	Nil	Nil	Nil	Nil	33,600
Judi Dalling, Former CFO	2021	16,800	Nil	Nil	Nil	Nil	Nil	Nil	16,800
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Larry Tjoelker, VP Research	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	42,500	Nil	Nil	Nil	Nil	Nil	Nil	42,500
	2020	102,000	Nil	Nil	Nil	Nil	Nil	20,000	122,000
Tom Deckwerth, VP Therapeutic Development	2022	7,566	Nil	Nil	Nil	Nil	Nil	Nil	7,566
	2022	179,511	Nil	Nil	Nil	Nil	Nil	36,895	232,675
	2020	189,389	Nil	Nil	Nil	Nil	Nil	34,380	233,769
	2022	7,566	Nil	Nil	Nil	Nil	Nil	Nil	7,566
	2022	179,511	Nil	Nil	Nil	Nil	Nil	74,420	253,931
	2021	198,489	Nil	Nil	Nil	Nil	Nil	36,032	234,521

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and executive officers are indebted to the Company. The Company does not have a securities purchase program or other programs regarding indebtedness of the directors and executive officers.

17. RISK FACTORS

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or currently deemed immaterial by the Company may also impair the operations of the Company. If any such risks actually occur, shareholders of the Company could lose all or part of their investment; the business, financial condition, liquidity, results of operations, and prospects of the Company could be materially adversely affected; and the ability of the Company to implement its growth plans could be adversely affected. The acquisition of any of the securities of the Company is speculative, involving a high degree of risk, and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Investors should evaluate carefully the following risk factors associated with the Company's securities.

Risks Pertaining to the Company's Business

Limited Operating History
The new business of the Company, THC Essentials, has a limited operating history upon which its business and future prospects may be evaluated. Although there is a prior history of revenue from the THC Essential Trademarks, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for the Company to meet future operating requirements, it will need to be successful in its growth, marketing, and sales efforts. There are no assurances that the Licensed Products can be successfully marketed in the future or that there will not be U.S. FDA changes in rules, an initiation of investigations, other regulatory actions taken, or changes in state regulations.

Additionally, where the Company experiences increased production and future sales, its current limited operational infrastructure may require changes to scale its business efficiently and effectively to keep pace with demand and achieve long-term profitability. If the Company's future Licensed Products are not accepted by future customers, the Company's operating results may be materially and adversely affected. As the Company produces new Licensed Products, there is no guarantee that the market will embrace the new Licensed Products.

Regulatory Risks and Uncertainties
Although none of the current licensed Products currently require regulatory approval other than the requirement that the Licensees be licensed under state cannabis laws, there is no assurance that this will continue, as the states in which recreational cannabis is legal could at any time impose new regulatory requirements. The success of the Company's business is dependent on its activities continuing to being permissible under applicable state laws, and any change could have a material negative impact on the Company's business and success. There can be no assurance that the Company will not experience difficulties with its efforts to comply with applicable regulations as they change in the future or that its continued compliance efforts (or failure to comply with applicable requirements) will not have a material adverse effect on the Company's results of operations, business, prospects, and financial condition.

Plans for Growth
The Company intends to continue to license the Trademarks and Licensed Know-How and supply the bottles and labels for the Products in the states in which the Licensed Product are currently sold and to expand to other states where recreational cannabis is legal. If the Company experiences growth, it will place a significant strain on the Company's management systems and resources and impede the implementation of its business strategy in a rapidly evolving market, which may have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

Limited Marketing and Sales Capabilities
The Company will, for the immediate future, have limited marketing and sales capabilities, and there can be no assurance that it will be able to develop or acquire these capabilities at the level needed, on a cost-effective basis, or at all, to expand the sale of the Licensed Products through industry sales alliance and other business partners. The Company's dependence upon third parties for the production, marketing, or sale, as applicable, of the Licensed Products could have a material adverse effect on the Company's business, financial condition, and results of operations.

Compared to other companies involved in the cannabis industry, the Company is very small, has few resources, and must limit its marketing and product development. The Issuer is a small company in an industry dominated by many larger companies that have substantial amounts of capital and management expertise. The Issuer does not have the human resources or financial resources to compete with senior companies in the cannabis industry, which could and probably would spend more time and money developing and marketing infused beverages. As a result, the Company must limit its marketing and product development unless it raises further capital, likely by the sale of its Shares, which will dilute your investment.

No Assurance of Continued Commercial Success
The Company's continuing success depends on its ability to establish and maintain working partnerships with industry participants in order to market the Licensed Products, the Company's ability to supply a sufficient amount of its bottles and labels to meet market demand, and the number of competitors within each jurisdiction within which the Company may be engaged from time to time. There can be no assurance that the Company or its industry partners will be successful in their respective efforts to continue sales and to expand the markets in which the cannabis drinks are sold.

No Profits or Significant Revenues
THC Essentials has been operating only since 2018, so there has been no significant history upon which to evaluate its performance and future prospects. THC Essentials operations are subject to all the business risks associated with new enterprises. These include likely fluctuations in operating results as the Company makes investments in product opportunities and reacts to developments in its market, including the purchasing patterns of customers and the effect of competitors. In addition, there is no assurance that future profitability will be sustained or that future revenues will be sufficient to generate the funds required for the Company to fund its operations, business development, and marketing. If the Company fails to do so, it may be required to reduce its sales and marketing efforts or forego certain business operations. The Company will only be able to pay dividends on any shares once its directors determine that it is financially able to do so. The Company cannot make any assurance that it will be profitable in the next three years or generate sufficient revenues to pay dividends to the holders of the Shares.

Reliance on Third-Party Manufacturers and Licensees
The Company does not manufacture any of the items used in the manufacture of the Licensed Products. It will continue to outsource the manufacture of the bottles, tops, labels, and shipping boxes to various manufacturers that ship the bottles and labels to the Licensees. There can be no assurances that these manufacturers will be able to continue to meet the Company's timetable and requirements or that the Company will be able to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, which could delay the fulfillment of orders for bottles, tops, labels, and shipping boxes. The Company's dependence upon the third-party manufacturers may adversely affect its profit margins and its ability to ensure the manufacture and delivery of the bottles, tops, labels, and shipping boxes on a timely and competitive basis.

Trademark Protection
Failure to register new trademarks and maintain existing Trademarks by the Company could require a rebranding of the Licensed Products, resulting in a material adverse impact on its business. There is no guarantee that the Company will be able to identify and diligently defend such rights against any third parties' usage of the same or similar marks. Trademark protection is important to protect the Company's brand development and good will. If the Company infringes upon the trademark of another company, the Company may be forced to stop using those marks and could be liable for damages caused by any such infringement.

Promoting the Brand
Promoting the Company's brand will be critical to creating and expanding a customer base and to realizing cash flow. If the Company fails to successfully promote its brand or incurs excessive expenses in this effort, its business and financial results from operations could be materially adversely affected.

Competition
There is intense competition in the cannabis industry. There are a large number of companies, both public and private, that have much greater resources than those of the Company. See "*Narrative Description of the Business – Competition.*"

Customer Demand
The Company intends to target a large and diverse customer base to achieve its desired level of revenue. The Company's ability to attract customers is dependent on a number of factors, including offering high-quality products at a competitive price, the strength of its competitors, and the abilities of its sales and marketing teams. The failure to attract customers or obtain new business from existing customers may result in the Company not achieving its desired level of revenue as quickly as anticipated, if at all.

Costs of Operating as a Reporting Issuer
As a Reporting Issuer, the Company will continue to incur significant legal, accounting, and other expenses. As a Reporting Issuer, the Company is subject to various securities rules and regulations, which impose various requirements on the Company, including the requirement to establish and maintain effective disclosure and financial controls and corporate governance practices. The Company's management and other personnel need to devote a substantial amount of time to these compliance initiatives.

Reliance on Key Personnel
The Company is dependent upon the services of its management team for the successful operation of its business. The loss of these services could affect the business. If the Company cannot successfully recruit and retain the personnel it needs, or replace key personnel after departure, the Company's ability to develop and manage its business will be impaired. John Kueber's ongoing involvement as the Company's CEO is important to the Company's success.

Novel Coronavirus – "COVID-19"
The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, including the implementation of travel bans, self- imposed quarantine periods, and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. However, depending on the length and severity of the pandemic, COVID-19 could impact the Company's operations and could impair the Company's ability to raise funds, depending on COVID-19's effect on capital markets. To the knowledge of the Company's management as of the date hereof, COVID-19 does not present, at this time, any specific known impacts to the Company in relation to the timelines, business objectives, or disclosed milestones related thereto. The Company is not currently aware of any changes in laws, regulations, or guidelines, including tax and accounting requirements, arising from COVID-19, which would be reasonably anticipated to materially affect the Company's business.

Litigation
The Company is not subject to any litigation and is unaware of any possible litigation proceedings. A settlement agreement was reached, on June 22, 2023 with the former CEO, Robert Gietl. Refer to "*Developments after November 30, 2022"* in Item 3 for full details.

Inflation
Inflationary pressure may also affect Company's labour, commodity, and other input costs, which could affect Company's financial condition and the production of the Products. Throughout 2021 and 2022, global inflationary pressures increased, caused by the ongoing COVID-19 global pandemic and related lockdowns, and the war in Ukraine, which has caused increasing global energy costs and a shortage of agricultural commodities.

Environmental, Health and Safety Laws and Regulations
The Company's operations not affected by environmental, health, and safety regulations as it does not manufacture any items used in the Licensed Products.

Financial and Accounting Risks

Negative Cash Flow from Operating Activities and Additional Capital Requirements
The Company has had negative cash flow from operating activities from inception to the date of this Listing Statement. Positive cash flow is now dependent on the operations from its acquisition of THC Essentials. Future capital investment may be required for the Company's future operations. The Company's net losses have had and will continue to have an adverse effect on, among other things, shareholder equity, total assets, and working capital. Accordingly, the Company may be required to obtain additional financing in order to meet its future cash commitments. There is no assurance that additional financing will be available on terms acceptable to the Company.

Availability of Financing
The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company for further operations since it will depend upon the capital market conditions and the business success of the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities or respond to competitive pressures and remain in business.

Financial Position and Results of Operations
The Company's actual financial position and results of operations may differ materially from management's expectations, and the Company's revenue, net income, and cash flow may differ materially from the Company's projected revenue, net income, and cash flow. The process for estimating the Company's revenue, net income, and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed and may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Risks Related to Securities of the Company
No Public Market for the Shares
There is currently no public market where the Shares may be sold, as the Shares have been halted from trading by the TSX.V. The Company has received conditional acceptance from the CSE to list the Shares, but there is no assurance that will happen. There can be no assurance that an active trading market for the Shares will develop or, if developed, that any market will be sustained. Fluctuations in the market price of the Shares could cause investors to lose all or part of their investments. Factors that could cause fluctuations in the trading price of the Shares include: (a) announcements of new offerings of Shares and new Licensed Products, commercial relationships, acquisitions, or other events by the Company and its competitors; (b) price and volume fluctuations in the overall stock market from time to time; (c) significant volatility in the market price and trading volume of comparable companies; (d) fluctuations in the trading volume of the Shares or the size of the Company's public float; (e) actual or anticipated changes or fluctuations in the results of operations; (f) whether the results of operations meet the expectations of securities analysts or investors; (g) litigation involving the Company, its industry, or both; (h) regulatory developments; (i) general economic conditions and trends; (j) major catastrophic events; (k) escrow releases or sales of large blocks of the Shares; (l) departures of key employees or members of management; or (m) an adverse impact from any of the other stated risks.

CSE Listing
If the Company fails to list the Shares on the CSE, the liquidity for its Shares will be significantly impaired. In addition, in the future, the Company's securities may fail to meet the continued listing requirements to be listed on the CSE. If the CSE delists the Shares, the Company could face significant material adverse consequences, including a limited availability of market quotations for the Shares, a limited amount of news and analyst coverage of the Company, and a decreased ability to issue additional securities or obtain additional financing in the future.

Volatile Market Price for Shares
The market price of the Shares may be volatile. The volatility may affect the ability of holders to sell the Shares at an advantageous price or at all. Market price fluctuations in the Shares may be adversely affected by a variety of factors relating to the Company's business, including fluctuations in the Company's operating and financial results, such results failing to meet the expectations of securities analysts or investors and downward revisions in securities analysis' estimates in connection therewith, sales of additional Shares, governmental regulatory action, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading "*Forward-Looking Statements*." In addition, the market price for securities on stock markets, including the CSE, is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often have been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may materially adversely affect the market price of the Company. Additionally, the value of the Shares is subject to market value fluctuations based upon factors that influence the Company's operations, such as legislative or regulatory developments, competition, technological change, and changes in interest rates or foreign exchange rates. There can be no assurance that the market price of the Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance.

No Dividends
The Company's current policy is, and will be, to retain earnings to finance the development and enhancement of its Products and to otherwise reinvest in its business. Therefore, the Company does not anticipate paying cash dividends on the Shares in the foreseeable future. Until the time that the Company does pay dividends, which it might never do, its shareholders will not be able to receive a return on their Shares unless they sell them.

Enforcement of Judgments Against Certain Persons
John Kueber, a director and CEO of the Company, resides outside Canada. Mr. Kueber has appointed Joanne McClusky, legal counsel in Vancouver, as his agent for service of process in Canada. It may not be possible for investors to enforce judgements obtained in Canada against Mr. Kueber.

There is some doubt as to the enforceability in the United States by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian provincial securities laws or otherwise. A court in the United States may refuse to hear a claim based on a violation of Canadian provincial securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a court in the United States agrees to hear a claim, it may determine that the local law in the United States, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law in such circumstances.

18. PROMOTERS

Patrick Gray and John Kueber are the promoters of the Company. They were the persons principally involved in the negotiations to acquire THC Essentials and the private placement of $2,000,000 essential to the Reorganization of the Company. See "*General Description of the Business*" and "*Narrative Description of the Business.*" Pursuant to an agreement dated January 4, 2023, Mr. Kueber will be paid U.S.$10,000 per month by the Company from the revenue from THC Essentials and was granted stock options to acquire 1,790,000 Shares at a price of $0.10 per Share effective on the Listing Date for a term of five years. Mr. Kueber was appointed a director and CEO of the Company on June 12, 2023 and will directly manage and operate the THC Essentials operations. On the Listing Date, he will have 1,790,000 stock options to acquire 1,790,000 Shares at a price of $.10 per Share for a term of five years.

Patrick Gray will continue as an independent director and Chairman of the Audit Committee. Upon completion of the Reorganization on the Listing Date, he will own 1,760,175 Shares, representing 4.61% of the issued and outstanding Shares, and have the following Stock Options: 75,000 at an exercise price of $1.75 until August 2, 2023 and 80,000 at an exercise price of $0.40 until April 20, 2026. See "*Executive Officers and Directors.*"

19. LEGAL PROCEEDINGS

The Company is not involved in any legal proceedings. A settlement agreement was reached with the former CEO, Robert Gietl. In item 3, see "Developments after November 30, 2022 which discloses the terms of the settlement agreement.

Regulatory Actions

There are no current regulatory actions against the Company, and there have not been any:

(a) Penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof;

(b) Other penalties or sanctions imposed by a court or regulatory body against the Company necessary to contain full, true, and plain disclosure of all material facts relating to the securities being listed; and

(c) Settlement agreements that the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years

immediately preceding the date hereof.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the following persons or companies have had any material interest, directly or indirect, in any transaction within the three years before the date of the Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer:

(a) Any director or executive officer of the Issuer;

(b) A person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of outstanding voting securities; and

(c) An associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

The proposed new CEO, John Kueber who will be running the new business, THC Essentials was the manager of the THC Essentials for the period from 2018 to September 2022.

21. AUDITORS, TRANSFER AGENT, AND REGISTRAR

Smythe LLP, Chartered Professional Accountants, is auditor of the Company and a member of the Chartered Professional Accountants of British Columbia. Smythe is located at 475 Howe Street, #1700, Vancouver, B.C. V6C 2B3.

The Company's transfer agent and registrar is Computershare Trust Company of Canada ("Computershare"). Computershare's register of transfers for the Shares is located at 880-580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6.

22. MATERIAL CONTRACTS

1. Transfer Agent Agreement dated February 6, 2012, with Computershare Investor Services Inc. This agreement was filed on SEDAR on February 9, 2012.

2. Asset Purchase Agreement between the Company and SoRSE, dated February 10, 2023, as amended on March 31, 2023, April 2, 2023 and April *, 2023. The Service Agreement referred to on page 4 of this Listing Statement is Schedule H-1 of the Asset Purchase Agreement.

23. INTEREST OF EXPERTS

Smythe LLP, Chartered Professional Accountants, is the independent registered public accounting firm of the Company and is independent within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. It does not own any securities of the Company.

24. OTHER MATERIAL FACTS

There are no material facts about the Company and its securities that are not disclosed under the preceding items and are necessary for the Listing Statement to contain full, true, and plain disclosure of all material facts relating to the Issuer and its securities.

25. FINANCIAL STATEMENTS

Consolidated year-end audited financial statements of the Company for the years ended November 30, 2022, and November 30, 2021, are attached as Schedule A.

Consolidated financial statements of the Company for the years ended November 30, 2021, and November 30, 2020, is attached as Schedule B.

Audited carveout income statement of SoRSE for the three years ended December 31, 2022, December 31, 2021, and December 31, 2020, are attached as Schedule E.

Audited carveout statement of acquired assets of THC Essentials as at June 30, 2023, which are attached as Schedule F.

Pro-forma financial statements for the year ended November 30, 2022, are attached as Schedule G.

Schedule A
Consolidated financial statements for the years ended November 30, 2022 and November 30, 2021
Of Nevis Brands Inc. (formerly Pascal Biosciences Inc.)

PASCAL BIOSCIENCES INC.
Consolidated Financial Statements
For the Years Ended November 30, 2022 and 2021

(Expressed in Canadian Dollars)

Index **Page**

smythe

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PASCAL BIOSICENCES INC.

Opinion

We have audited the consolidated financial statements of Pascal Biosciences Inc. (the "Company"), which comprise:

- the consolidated statements of financial position as at November 30, 2022 and 2021;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' deficiency for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at November 30, 2022 and 2021, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $480,280 during the year ended November 30, 2022 and, as of that date, the Company's working capital deficiency is $832,380. 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 Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

VANCOUVER
1700–475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY
600–19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO
201–1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit 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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

VANCOUVER
1700–475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY
600–19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO
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F: 250 984 0886

- 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 Company'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 Company 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 Company 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 23, 2023

VANCOUVER
1700–475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY
600–19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO
201–1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
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Pascal Biosciences Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at November 30:

	Notes	2022	2021
ASSETS		**$**	**$**
Current			
Cash		8,370	-
Prepaid expenses		3,245	3,192
Receivables	4	7,208	142,007
Total current assets		18,823	145,199
Equipment	5	-	9,989
Total assets		18,823	155,188
LIABILITIES			
Current liabilities			
Bank indebtedness		-	7,759
Accounts payable and accrued liabilities	6, 10	626,586	588,944
Short-term loan payable	10	224,617	49,780
Total current liabilities		851,203	646,483
Accounts payable		111,725	-
Total liabilities		962,928	646,483
SHAREHOLDERS' DEFICIENCY			
Equity attributable to shareholders			
Share capital	7	13,052,100	13,026,100
Shares to be Issued	7	-	46,000
Reserves	7	424,152	712,851
Deficit		(14,420,357)	(14,276,246)
Total shareholders' deficiency		(944,105)	(491,295)
Total liabilities and shareholders' deficiency		18,823	155,188

Approved on behalf of the Board:

"Patrick W. Gray" — Director

"Terry Pearson" — Director

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

Pascal Biosciences Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended November 30

	Notes	2022	2021
General and administrative expenses			
Accounting and audit fees		93,659	68,978
Administrative and general office		38,459	71,293
Amortization	5	8,294	16,325
Bank charges and interest		3,901	5,585
Consulting fees	10	3,306	132,348
Salaries and benefits	4, 10	232,821	291,607
Foreign exchange loss		25,698	2,284
Insurance		19,848	40,280
Investor relations and marketing		(4,683)	108,947
Legal fees		19,673	16,522
Research and development	4	(48,628)	57,775
Share-based payments	7, 10	47,470	200,027
Transfer agent, listing and filing fees		17,937	26,188
Travel and entertainment		(754)	49
Total general and administrative expenses		(457,001)	(1,038,208)
Other Income			
Bad debt expense	4	(129,477)	(50,723)
Interest income		1,402	-
Gain on sale of equipment	5	7,281	
Gain on debt settlement	6	97,515	-
Net loss and comprehensive loss for the year		(480,280)	(1,088,931)
Loss per share, basic and diluted		(0.01)	(0.02)
Weighted average common shares outstanding - basic and diluted		65,546,824	63,484,358

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

Pascal Biosciences Inc.
Consolidated Statements in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Common Shares					Total
	Number of Shares	Amount	Shares to be Issued	Option Reserve	Deficit	Shareholders' Deficiency
		$	$	$	$	$
Balance, November 30, 2020	57,594,769	12,331,652	-	887,921	(13,571,912)	(352,339)
Shares issued for cash	7,500,000	740,500	-	9,500	-	750,000
Share issuance costs	-	(46,052)	-	-	-	(46,052)
Shares to be issued in lieu of salaries	-	-	46,000	-	-	46,000
Share-based payments	-	-	-	200,027	-	200,027
Fair value transfer on expiry and cancellation of options	-	-	-	(384,597)	384,597	-
Net loss for the year	-	-	-	-	(1,088,931)	(1,088,931)
Balance, November 30, 2021	**65,094,769**	**13,026,100**	**46,000**	**712,851**	**(14,276,246)**	**(491,295)**
Share issuance costs	-	(20,000)		-	-	(20,000)
Shares issued in lieu of salaries	500,000	46,000	(46,000)	-	-	-
Share-based payments	-	-	-	47,470	-	47,470
Fair value transfer on expiry of options	-	-	-	(336,169)	336,169	-
Net loss for the year	-	-	-	-	(480,280)	(480,280)
Balance, November 30, 2022	**65,594,769**	**13,052,100**	**-**	**424,152**	**(14,420,357)**	**(944,105)**

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

Pascal Biosciences Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended November 30:		
	2022	**2021**
	$	**$**
Cash provided by (used in):		
Operating activities:		
Net loss for the year	(480,280)	(1,088,931)
Items not involving cash:		
Amortization	8,294	16,325
Share-based payments	47,470	200,027
Gain on debt settlement	(97,515)	-
Gain on sale of equipment	(7,281)	
Shares issued for services	-	46,000
Bad debt expense	129,477	50,723
Changes in non-cash working capital:		
Prepaid expenses	(53)	7,406
Receivables	5,322	(108,928)
Accounts payable and accrued liabilities	246,882	262,450
	(147,684)	(614,928)
Investing activity:		
Proceeds from sale of equipment	8,976	-
Financing activities:		
Shares issued for cash	-	624,500
Proceeds from short-term loan	174,837	45,630
Share issuance costs	(20,000)	(46,052)
	154,837	624,078
Net change in cash	16,129	9,150
Bank indebtedness, beginning of year	(7,759)	(16,909)
Cash (bank indebtedness), end of year	8,370	(7,759)
Supplemental cash flow information:		
Short-term loan payable applied to shares issued for cash	-	125,500
Shares issued for services applied to accounts payable	48,774	-
Shares issued for services applied to share capital	(46,000)	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Pascal Biosciences Inc. (the "Company") was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia). On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc. ("BAT"), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Pascal Biosciences US, Inc. ("Pascal (US)"). The Company is a Tier 2 Biotechnology Issuer engaged in the research and development of products for the treatment of cancers and for improvement of the immune system, trading on the TSX Venture Exchange (the "Exchange") under the trading symbol "PAS". Subsequent to the year ended November 30, 2022, the Company plans to de-list from the Exchange and list on the Canadian Securities Exchange ("CSE") upon receiving approval (Note 14).

The Company's head office is Suite 304, 4000 Mason Road, Seattle, WA 98195.

The Company has not generated any revenues and has incurred losses since inception. The Company expects to spend a significant amount of capital to fund research and development. As a result, the Company expects that its operating expenses will increase significantly, and consequently, will require significant revenues to become profitable. Even if the Company does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company cannot predict when, if ever, it will be profitable. There can be no assurances that the intellectual property of the Company will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, or be successfully marketed.

These consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2022, the Company has a working capital deficiency of $832,380 (2021: $501,284) and reported a net loss of $480,280 (2021: $1,088,931). The Company's ability to maintain its existence is dependent upon the continuing support of its creditors and its success in obtaining new equity financing for its ongoing operations. Financing options available to the Company include equity financings and loans. These conditions indicate the existence of material uncertainties that may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Realization values of the Company's assets may be substantially different from carrying values as shown in these condensed interim consolidated financial statements and, accordingly, should the Company be unable to continue as a going concern, the adjustments could be material.

Since January 2020, the outbreak of the worldwide COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries can be expected that are difficult to quantify.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration and enduring impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results, condition, and financings (equity and debt) of the Company in future periods.

There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic's impact on global industrial and financial markets which may reduce share prices and financial liquidity, thereby limiting access to additional capital.

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION

(a) Statement of compliance

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

These consolidated financial statements were authorized for issue by the Board of Directors on February 23, 2023.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are the same as those disclosed in Note 3.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its wholly owned subsidiaries, BAT and Pascal (US).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, BAT and Pascal (US). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All significant intercompany transactions and balances have been eliminated upon consolidation.

(b) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(c) Research and development costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria, including technical feasibility, commercial feasibility, intent and ability to develop and use the technology, are met for deferral and amortization. No development costs have been deferred to date.

(d) Government assistance

Government grants are recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Company 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 Company for the cost of an asset are applied against the cost of the asset and recognized in profit or loss on a systematic basis over the useful life of the asset.

(e) Share capital

Common shares issued by the Company are classified as shareholders' equity (deficiency). Incremental costs directly attributable to the issuance of shares are recognized as a deduction from shareholders' equity (deficiency).

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the residual method whereby proceeds are allocated first to common shares based on the market trading price of the common shares, and any remaining balance is allocated to warrants.

(f) Share-based payments

The Company accounts for share-based payments using a fair value-based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees.

For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. When options and warrants are exercised, the related amount in the options and warrants reserve is transferred to share capital. When options and warrants expire unexercised, such amounts are transferred to deficit.

(g) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between financial statement carrying amounts of existing assets and liabilities, and their respective tax basis (temporary differences). Deferred income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively enacted. The amount of deferred income tax assets recognized is limited to the amount of the benefit that is probable of being realized.

(h) Functional currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

i. Monetary assets and liabilities, at the rate of exchange in effect as at the consolidated statement of financial position date;
ii. Non-monetary assets and liabilities, at the exchange rates prevailing at the time of acquisition of the assets or assumption of the liabilities; and
iii. Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange on the transaction date.

Gains and losses arising from this translation of foreign currency are included in determination of profit or loss for the year.

(i) Significant accounting judgments, estimates and assumptions

The preparation of these 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.

Significant assumptions about the future and other sources of estimated uncertainty that management has made as at the consolidated statements of financial position date that could result in a material adjustment to the carrying amount of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Accounting Estimates

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to, the following:

- Accounts receivable

  Accounts receivable is recorded at the estimated recoverable amount, which involves the estimate of uncollectable amounts.

- Share-based payments

  The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and changes in other subjective input assumptions that can materially affect the fair value estimate.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual research and development programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- Treatment of research and development expenses

  The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Significant judgment is required to distinguish between the research and development phases. Estimates and assumptions may change if new information becomes available. If new information suggests future economic benefits are unlikely, the amount capitalized is written off to profit or loss.

- Recovery of deferred tax assets

  The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and

acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements.

- Functional currency

  The functional currency of the Company and its subsidiaries is the currency of their respective primary economic environment, and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

- Discontinued operations

  Judgment is applied in determining whether disposal groups represent a component of the entity, the results of which should be recorded as discontinued operations in the consolidated statements of loss and comprehensive loss.

(j) Earnings (loss) per share

The Company presents basic and diluted earnings (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 shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the exercise or contingent issuance of securities only when such exercise or issuance would have a dilutive effect on the earnings (loss) per share.

(k) Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded using the declining-balance method and is intended to depreciate the cost of the assets over their estimated useful lives as follows:

Lab equipment	20%
Computer equipment	55%

(l) Financial instruments

Financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized costs
A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. The Company's receivables are classified as amortized costs.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")
A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in other comprehensive income. The Company does not have financial assets classified as FVTOCI.

Financial assets measured at fair value through profit or loss ("FVTPL")
A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if 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 financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss). The Company's cash is classified as FVTPL.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities; short-term loan payable are classified as financial liabilities subsequently measured at amortized cost.

4. RESEARCH AND DEVELOPMENT

During the year ended November 30, 2021, the Company was awarded a grant of US$321,406 from the National Cancer Institute of the US National Institutes of Health (NIH). This two-year award will fund development of Pascal's antibody drug for Acute Lymphoblastic Leukemia (ALL), which is the most common childhood leukemia. During the year ended November 30, 2022, the Company incurred $39,882 (US$30,802) (2021: $48,162/US$38,418) in research and development expenditures against income of $90,379 (US$69,803) (2021: $48,162/US $38,418) in funding from NIH.

On September 14, 2020, the Company and SōRSE announced that they have entered into a Collaborative Research Agreement (the "Agreement") to advance Pascal's immune-stimulating cannabinoid PAS-393 into clinical testing in humans. Pascal (US) and SōRSE will share their respective technologies to test the cannabinoid PAS-393 in human volunteers, enabling testing of cancer patients treated with checkpoint inhibitors.

(Expressed in Canadian Dollars)

SōRSE will provide US$750,000 in research funding to Pascal (US) throughout the 15-month collaboration and will pay for related research expenditures. During the year ended November 30, 2022, the Company received $nil (2021: $563,801/US$500,000) of research funding, which is included in salaries and benefits and has an account receivable of $nil (2021: $127,920/US$100,000). The Company also wrote off accounts receivable of $129,477 (US$100,000) in relation to research funding from SōRSE.

5. EQUIPMENT

Cost	Lab Equipment	Computer Equipment	Total
Balance, November 30, 2020 and 2021	$ 67,228	$ 4,401	$ 71,629
Dispositions	$ (815)	$ (880)	$ (1,695)
Balance, November 30, 2022	$ 66,413	$ 3,521	$ 69,934
Accumulated Amortization			
Balance, November 30, 2020	$ 44,966	$ 349	$ 45,315
Charge for the year	14,398	1,927	16,325
Balance, November 30, 2021	$ 59,364	$ 2,276	$ 61,640
Charge for the year	7,049	1,245	8,294
Balance, November 30, 2022	$ 66,413	$ 3,521	$ 69,934
Carrying Value			
Balance, November 30, 2021	$ 7,864	$ 2,125	$ 9,989
Balance, November 30, 2022	$ -	$ -	$ -

During the year ended November 30, 2022, the Company disposed of some computer and lab equipment, which resulted in a gain of $7,281.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

On March 21, 2022, the Company entered into a settlement agreement with an arm's length party to settle debt of $116,550 for $30,000 in cash, resulting in a gain on debt settlement of $86,550.

On November 30, 2022, the Company entered into a settlement agreement with an arm's length party to settle debt of $53,136 for $42,171 in cash, resulting in a gain on debt settlement of $10,965.

7. SHARE CAPITAL

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Common shares

Year ended November 30, 2022

On January 4, 2022, the Company issued 500,000 common shares, with a fair value of $46,000 to the former CEO per his employment agreement in lieu of two months' worth of salary. The fair value of $46,000 was recorded as shares to be issued in lieu of salary as at November 30, 2021.

Year ended November 30, 2021

On February 8, 2021, the Company closed the first tranche of a private placement by issuing 5,600,000 Units at a price of $0.10 per Unit for gross proceeds of $560,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.15 per share for a period of 24 months from the date of closing, subject to an acceleration clause which the Company may exercise once the Units are free of resale restrictions and if the Company's shares are trading at or above a volume weighted average price of $0.40 for 10 consecutive trading days. The warrants will expire upon 30 days from the date the Company provides notice in writing to the warrant holders via a news release. The Company paid $32,200 in finder's fees related to the closing of the first tranche.

On March 17, 2021, the Company closed the second tranche of the non-brokered private placement by issuing 1,900,000 Units at a price of $0.10 per Unit for gross proceeds of $190,000. Part of the gross proceeds was paid by settling $125,500 of the short-term loan payable. Each Unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.15 for a period of 24 months from the date of closing, subject to an acceleration clause, under which the Company may exercise once the Units are free of resale restrictions and if the Company's shares are trading at or above a volume weighted average price of $0.40 for 10 consecutive trading days. The warrants will expire upon 30 days from the date the Company provides notice in writing to the warrant holders via a news release. The Company paid $1,365 in finder's fees and incurred cash share issuance costs of $12,487 related to the closing of the second tranche. The Company allocated $9,500 of the gross proceeds to warrants using the residual method.

(c) Stock options

During the year ended November 30, 2012, the Company adopted a stock option plan, which provides that the Board of Directors may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and exercisable for five years from the date of grant.

(Expressed in Canadian Dollars)

A summary of the Company's outstanding stock options and changes is as follows:

	Quantity	Weighted Average Exercise Price ($)
Outstanding, November 30, 2020	3,915,000	0.37
Granted	3,775,000	0.09
Expired	(1,510,000)	0.27
Cancelled	(392,000)	0.72
Outstanding, November 30, 2021	5,788,000	0.19
Granted	500,000	0.08
Expired	(1,613,000)	0.32
Outstanding, November 30, 2022	4,675,000	0.14
Exercisable as at November 30, 2022	4,550,000	0.14

On February 28, 2022, the Company granted 500,000 stock options to the current CEO. The stock options are exercisable at a price of $0.08 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 1.73%, expected dividend rate of 0%, expected volatility of 94.02%, and forfeiture rate of 0%. The fair value of the options was calculated at $28,772. The share-based payment expense recognized during the year ended November 30, 2022 was $26,999 (2021: $nil).

On September 3, 2021, the Company granted 500,000 stock options to the former CEO. The stock options are exercisable at a price of $0.08 per share, for a period of five years and vest immediately on the grant. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.98%, expected dividend rate of 0%, expected volatility of 95.83%, and forfeiture rate of 0%. The fair value of the options was calculated at $31,082. The share-based payment expense recognized during the year ended November 30, 2022 was $nil (2021: $31,082).

On April 20, 2021, the Company granted 2,875,000 stock options to directors, employees and consultants of the Company. The stock options are exercisable at a price of $0.08 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.75%, expected dividend rate of 0%, expected volatility of 94.59%, and forfeiture rate of 0%. The fair value of the options was calculated at $164,478. The share-based payment expense recognized during the year ended November, 2022 was $19,421 (2021: $123,603).

On December 18, 2020, the Company granted 400,000 stock options to directors and employees of the Company. The stock options are exercisable at a price of $0.15, for a period of five years and vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.35%, expected dividend rate of 0%, expected volatility of 94.21%, and forfeiture rate of 0%. The fair value of the options was calculated at $42,621. The share-based payment expense recognized during the year ended November 30, 2022 was $525 (2021: $42,096).

(Expressed in Canadian Dollars)

On May 28, 2019, the Company granted 198,000 stock options to consultants, exercisable at a price of $0.20 per share. The stock options will vest quarterly over 36 months and expire on May 28, 2022. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 1.48%, expected dividend rate of 0%, expected volatility of 87.39%, and forfeiture rate of 0%. The fair value of the options was calculated at $21,651. The share-based payment expense recognized during the year ended November 30, 2022 was $525 (2021: $3,246).

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying consolidated statements of operations and comprehensive loss.

The options outstanding at November 30, 2022 are as follows:

Expiry Date	Outstanding	Exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
January 3, 2023	500,000	500,000	0.08	0.09
January 28, 2023	100,000	100,000	0.29	0.16
August 2, 2023	800,000	800,000	0.35	0.67
December 18, 2025	400,000	400,000	0.15	3.05
April 20, 2026	2,375,000	2,375,000	0.08	3.39
February 28, 2022	500,000	375,000	0.08	4.25
	4,675,000	4,550,000	0.14	2.57

(d) Share purchase warrants

A summary of the Company's outstanding share purchase warrants and changes is as follows:

	Quantity	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
Balance, November 30, 2020	3,793,548	0.15	1.31
Issued	7,500,000	0.15	1.22
Balance, November 30, 2021	11,293,548	0.15	0.91
Expired	(3,793,548)	0.15	0.00
Balance, November 30, 2022	7,500,000	0.15	0.22

(Expressed in Canadian Dollars)

The warrants outstanding at November 30, 2022 are as follows:

Expiry Date	Number Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
February 8, 2023	5,600,000	0.15	0.19
March 17, 2023	1,900,000	0.15	0.29
	7,500,000	0.15	0.22

8. INCOME TAXES

As at November 30, 2022, the Company has non-capital losses of approximately $5,896,000, which may be applied against future income for Canadian income tax purposes and non-capital losses of approximately $6,082,000, which may be applied against future income for US income tax purposes. The potential future tax benefits of these losses have not been recorded in these consolidated financial statements.

The losses expire as follows:

	$
2031	13,000
2032	88,000
2033	396,000
2034	528,000
2035	657,000
2036	652,000
2037	796,000
2038	2,599,000
2039	3,348,000
2040	1,300,000
2041	881,000
2042	720,000
	11,978,000

(Expressed in Canadian Dollars)

A reconciliation of income tax provision computed at Canadian statutory rates to the reported taxes is as follows:

	2022	2021
	$	$
Loss before income taxes	(480,280)	(1,088,931)
Income tax as statutory rates	27.00%	27.00%
Expected income tax recovery	(129,676)	(294,011)
Non-deductible items	12,817	54,007
Temporary differences attributed to:		
Change in timing differences	30,482	(13,204)
Under (over) provided in prior years	(912)	181,433
Foreign exchange	(88,330)	37,203
Unused tax losses and tax offsets not recognized	175,619	34,572
Total income tax recovery	-	-

The Company recognizes tax benefits on losses or other deductible amounts generated where the criteria for the recognition of deferred tax assets have been met. The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements, as it is not probable that the deferred tax assets will be realized in the future:

	2022	2021
	$	$
Non-capital losses carried forward	11,978,000	11,258,000
Equipment, patents and licenses	1,615,000	1,649,000
Share issuance costs	44,000	125,000
Cumulative eligible capital	69,000	69,000
	13,706,000	13,101,000

9. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

The Company includes shareholders' equity (deficiency), comprised of issued share capital, reserves and deficit in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in the 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, enter into joint venture arrangements, acquire or dispose of assets, or adjust the amount of cash.

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 manage its capital to be able to sustain the future development of the Company's business. The Company is not subject to externally imposed capital

(Expressed in Canadian Dollars)

requirements. There were no changes in the Company's approach to capital management during the year ended November 30, 2022.

10. RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions that occurred during the years ended November 30, 2022 and 2021:

Services provided by:		2022	2021
		$	$
Key management salaries/fees	a)	203,666	307,811
Director and officer salaries/fees	b)	15,132	417,284
Share-based payments		39,937	139,193
Benefits		18,163	120,799
		276,898	985,087

Related parties include:

a) Key management salaries include amounts paid to the current CEO, former CEO and the CFO.

b) Director and officer salaries include amounts paid to the Vice President of Research and the Vice President of Therapeutic Development.

Included in accounts payable and accrued liabilities is $473,595 (2021: $233,820) payable to directors and officers of the Company. The amounts in accounts payable and accrued liabilities are non-interest bearing and due within 30 days except an amount of $24,146 which is due in the next two years. Additionally, there are loans to the Company by a director of the Company totaling $224,617 (US $137,818) (2021: $49,780 /US$34,318). The loan is unsecured, is due on demand and bears no interest.

On November 30, 2022, the Company entered into agreements with non-arm's length parties stating that Company will issue 1,204,245 common shares of the Company and $5,000 in cash to settle debt of $195,840. As at November 30, 2022, the Company has not issued the common shares and the full amount is recorded in accounts payable and accrued liabilities.

11. FINANCIAL INSTRUMENTS

(a) Fair value

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

(Expressed in Canadian Dollars)

As at November 30, 2022 and 2021, the Company's financial instruments are comprised of cash, receivables, bank indebtedness and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for cash, receivables, short-term loan payable, and accounts payable and accrued liabilities approximate fair values due to the short-term maturities of these financial instruments.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company considers its exposure to credit risk to be low, as its cash is deposited with a large financial institution with a strong credit rating. During the year ended November 30, 2022, the Company recorded a provision of $129,477 against receivables from SōRSE.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At November 30, 2022, the Company had cash of $8,370 (2021: $nil) available to apply against short-term business requirements and current liabilities of $851,203 (2021: $646,483). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2022. The short-term loan payable is due on demand.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.

As at November 30, 2022 and 2021, the Company's net exposure to foreign currency risk is as follows:

US dollars	**2022**	**2021**
	$	**$**
Cash (Bank indebtedness)	6,169	(8,140)
Accounts receivable	-	100,000
Accounts payable	(233,320)	(265,944)
Short-term loan payable	(99,818)	(34,318)
Net exposure to foreign currency risk	(326,969)	(208,402)
Canadian dollar equivalent	(441,670)	(266,588)

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would have an immaterial effect on the Company's net loss and comprehensive loss.

(e) Other price risk

Other price risk is the risk that 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.

12. SEGMENTED INFORMATION

The Company has one operating segment, biotechnology research and development, with lab and computer equipment in the United States of America. The Company closed down its biotechnology research and development segment subsequent to the year (Note 14).

13. CONTINGENCY

On February 8, 2022, the Company received a Notice of Civil Claim against the Company from a former officer of the Company for damages due to a breach of contract and wrongful termination. The claim against the Company is for 500,000 common shares of the Company to be issued to the former officer, punitive damages, interest and costs. The 500,000 common shares with the fair value of $46,000 were issued during the year ended November 30, 2022. No other amounts have been accrued in respect of this claim.

On January 19, 2023, the Company received a Notice of Application from the former officer. Given the nature of the claim, it is not currently possible for the Company to predict the outcome or reasonably estimate the possible financial effect of damages in connection with the Notice of Application issued on January 19, 2023. No amounts have been accrued in respect of this claim.

14. EVENTS SUBSEQUENT TO THE YEAR

On December 30, 2022, the Company entered into an agreement with a non-arm's length party to settle debt of $402,209 by issuing 5,027,613 common shares of the Company at a deemed price of $0.08 per share.

Transaction with SōRSE

On February 11, 2023, the Company signed an asset purchase agreement (the "Agreement") with SōRSE to acquire from SōRSE the assets comprising THC Essentials. The purchase price of US$1,125,000 will be paid as follows: (i) a secured promissory note of US$500,000, bearing interest at 7.5% per annum payable 13 months from the closing date, (ii) an aggregate of the greater of 3,555,000 post-consolidation shares and 9.9% of the number of post-consolidation shares Pascal has issued and outstanding on the listing date, and (iii) US$625,000 payable at the closing of the transaction. The Company will sign a promissory note and a security agreement which secures the Company assets until the US$500,000 plus interest of 7.5% is paid. The closing of the transaction is conditional of the Company listing on the CSE.

Subsequent to the year, the Company closed down its research labs and stopped its research and development activities related to cancer programs. The Company evaluated the change in their business in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and determined that it did not meet the definition of discontinued operations as it did not represent a separate major line of business.

Schedule B
Management discussion and analysis of the of Financial Condition and Results of Operations for the Financial year ended November 30, 2022 of Nevis Brands Inc. (formerly Pascal Biosciences Inc.)

PASCAL BIOSCIENCES INC.
Suite 304, 4000 Mason Road, Seattle WA 98195

Form 51-102F1

Management's Discussion & Analysis of Financial Condition and Results of Operations for the Financial Year Ended November 30, 2022

Date: February 23, 2023

Management's Discussion and Analysis

The following management's discussion and analysis (MD&A) of the financial information of Pascal Biosciences Inc. (the "Company") and results of operations should be read in conjunction with the Company's audited consolidated financial statements for the year ended November 30, 2022. These documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and subsequently approved and authorized for issue by the Board of Directors on February 23, 2023. The information contained within this MD&A is current to February 23, 2023.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "believe," "expect," "plan," "may," "will," "could," "leading," "intend," estimate," or words of a similar nature are generally intended to identify forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's:

- expected future loss and accumulated deficit levels;
- projected financial position and estimated cash burn rate;
- expectations about the timing of achieving milestones and the cost of development programs;
- requirements for, and the ability to obtain future funding on favourable terms or at all;
- projections for the development of our core technologies, particularly with respect to the timely and successful completion of trials and availability of results from such studies and efficacy;
- expectations about its product's safety and efficacy;
- expectations regarding the progress and the successful and timely completion of the various stages of regulatory processes;
- ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- expectations regarding the acceptance of our products and technologies by the market;

- ability to retain and access appropriate staff, management and expert advisors; and

- expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by the Company or to the Company in respect of such arrangements.

All forward-looking statements reflect the Company's beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities.

By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "Risk Factors" in this MD&A. Some of these risks and assumptions include, among others:

• substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that the Company will continue to incur significant losses in the future;

• uncertainty as to the Company's ability to raise additional funding to support operations;

• the Company's ability to generate product revenue to maintain our operations without additional funding;

• the risks associated with the development of the Company's product candidates which are at early stages of development;

• reliance on third parties to plan, conduct and monitor our pre-clinical studies and clinical trials;

• the Company's product candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results;

• risks related to filing Investigational New Drug applications (INDs), to commence clinical trials and to continue clinical trials if approved;

• the risks of delays and inability to complete clinical trials due to difficulties involved in enrolling patients;

• competition from other biotechnology and pharmaceutical companies;

• the Company's reliance on the capabilities and experience of its key executives and scientists and the resulting loss of any of these individuals;

• the Company's ability to adequately protect trade secrets;

• the Company's ability to source and maintain licenses from third-party owners; and

• the risk of patent-related litigation.

Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, we cannot assure readers that actual results will be consistent with these forward-looking statements. Any forward-looking statements represent estimates only as of the date of this MD&A and should not be relied upon as representing estimates as of any subsequent date. The Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities legislation.

Overview

The Company was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia). On May 24, 2013, the Company acquired all the issued and outstanding shares of bioMmune Advanced Technologies Inc. ("BAT"), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Pascal Biosciences US, Inc. ("Pascal (US)"). The Company is a Tier 2 Biotechnology Issuer targeting therapies for serious diseases. Pascal is developing treatments for cancer with targeted therapies for glioblastoma and acute lymphoblastic leukaemia. In addition, the Company is developing cannabinoid-based therapeutics for application to control cancer and COVID-19. Pascal's portfolio includes a small molecule therapeutic, PAS-403, that the Company is advancing into clinical trials for the treatment of glioblastoma, and PAS-393, an immune-stimulatory cannabinoid to be used in combination with checkpoint inhibitor therapy for cancer treatment. The Company trades on the TSXV Exchange under the trading symbol "PAS". Subsequent to the year ended November 30, 2022, the Company plans to de-list from the Exchange and list on the Canadian Securities Exchange ("CSE") upon receiving approval.

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Overall Performance

Research and Development

In March 2017, Pascal Biosciences (US), Inc. began operating a research and development lab in Seattle, Washington. The Company currently has one full-time employee: the interim CEO and the Chairman of the Board of Directors.

To contribute to research efforts during the coronavirus pandemic, Pascal scientists searched for compounds, including cannabinoids, that have activity against SARS-CoV-2 in cell-based assays.

On July 14, 2020, the Company announced that it has discovered certain cannabinoids that block replication of SARS-CoV-2, the coronavirus that causes COVID-19. The best cannabinoid tested had potency similar to that of remdesivir, an approved drug from Gilead that decreases recovery time for COVID-19 patients.

On September 14, 2020, the Company and SōRSE Technology Corporation ("SōRSE") announced that they entered into a Collaborative Research Agreement (the "Agreement") to advance Pascal's PAS-393, an immune-stimulating cannabinoid for cancer treatment, into clinical testing. Under the Agreement, Pascal and SōRSE shared their respective technologies to optimize both the cannabinoid and its formulation, aiming ultimately to test PAS-393 in cancer patients treated with checkpoint inhibitors. This partnership leveraged SōRSE's industry-leading formulation technology with Pascal's proprietary cannabinoid molecule for testing in clinical trials. The Agreement was anchored by Pascal's intellectual property which covers the use of cannabinoids in cancer patients treated with checkpoint inhibitors. SōRSE provided US $650,000 in research funding to Pascal throughout the 15-month collaboration and paid for related research expenditures, which was applied against salaries. The relative success of this agreement has the Company considering an increased focus on collaborative and contract research to offset the cost of internal programs.

On September 22, 2020, the Company confirmed that certain cannabinoids block SARS-CoV-2 replication in two different assays and subsequently demonstrated the effect in two additional *in vitro* models of infection. Pascal believes it is the first to identify a cannabinoid that directly inhibits replication of the virus, and has applied for patent protection for this unique discovery. The data suggest that a Pascal-identified cannabinoid has the potential to limit the severity and progression of COVID-19.

On March 18, 2021, the Company was awarded a grant of US$321,406 from the National Cancer Institute of the US National Institutes of Health (NIH). This two-year award will fund development of Pascal's antibody drug for B cell Precursor Acute Lymphoblastic Leukaemia (ALL), which is the most common childhood leukaemia.

On February 11, 2023, the Company signed an asset purchase agreement (the "Agreement") with SoRSE to acquire from SoRSE the assets comprising THC Essentials. The purchase price of US$1,125,000 will be paid as follows: (i) a secured promissory note of US$500,000, bearing interest at 7.5% per annum payable 13 months from the closing date, (ii) an aggregate of the greater of 3,555,000 post-consolidation shares and 9.9% of the number of post-consolidation shares Pascal has issued and outstanding on the listing date, and (iii) US$625,000 payable at the closing of the transaction. The Company will sign a promissory note and a security agreement which secures the Company assets until the U.S. $500,000 plus interest of 7.5% is paid. The closing of the transaction is conditional of the Company listing on the CSE.

Subsequent to November 30, 2022, the Company closed down its research labs and stopped its research and development activities related to cancer programs. The Company evaluated the change in their business in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and determined that it did not meet the definition of discontinued operations as it did not represent a separate major line of business.

Please refer to "*Core Technologies*" below for updates on the Company's research and development.

Share Capital

On December 18, 2020, the Company granted 400,000 stock options to directors and employees of the Company. The stock options are exercisable at a price of $0.15, for a period of five years and vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.35%, expected dividend rate of 0%; expected volatility of 94.21% and forfeiture rate of 0%. The fair value of the options was calculated at $42,621.

On February 8, 2021, the Company closed the first tranche of a private placement by issuing 5,600,000 Units for gross proceeds of $560,000. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.15 per share for a period of 24 months from the date of closing, subject to an acceleration clause, under which the Company may exercise once the Units are free of resale restrictions and if the Company's shares are trading at or above a volume weighted average price of $0.40 for 10 consecutive trading days. The Warrants will expire upon 30 days from the date the Company provides notice in writing to the Warrant holders via a news release. The Company paid $32,200 in finder's fees related to the closing of the first tranche.

On March 17, 2021, the Company closed the second tranche of a non-brokered private placement by issuing 1,900,000 Units at a price of $0.10 per Unit for gross proceeds of $190,000. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant") Each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.15 per share for a period of twenty-four months from the date of closing, subject to an acceleration clause, under the exercise acceleration clause, which the Company may exercise once the Units are free of resale restrictions and if the Company's shares are trading at or above a volume weighted average price of $0.40 for 10 consecutive trading days. The Warrants will expire upon 30 days from the date the Company provides notice in writing to the Warrant holders via a news release. The Company paid $1,365 in finder's fees and incurred cash share issuance costs of $12,487 related to the closing of the second tranche. The Company allocated $9,500 of the gross proceeds to warrants using the residual method.

On April 20, 2021, the Company granted an aggregate of 2,875,000 stock options to directors, employees and consultants, pursuant to the Company's stock option plan and subject to the policies of the TSX Venture Exchange. The stock options are exercisable at a price of $0.08 per share, exercisable for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.75%, expected dividend rate of 0%; expected volatility of 94.59% and forfeiture rate of 0%. The fair value of the options was calculated at $164,478.

On September 3, 2021, the Company granted 500,000 stock options to the Company's former CEO. The stock options are exercisable at a price of $0.08 per share, exercisable for a period of five years and vest immediately on grant. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.98%, expected dividend rate of 0%; expected volatility of 95.83% and forfeiture rate of 0%. The fair value of the options was calculated at $31,082.

On January 4, 2022, the Company issued 500,000 common shares, with a fair value of $46,000 to the former CEO per his employment agreement in lieu of two months' worth of salary. The fair value of $46,000 was recorded as shares to be issued in lieu of salary as at November 30, 2021.

On February 28, 2022, the Company granted 500,000 stock options to the current CEO, Brian Bapty. The stock options are exercisable at a price of $0.08 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 1.73%, expected dividend rate of 0%, expected volatility of 94.02%, and forfeiture rate of 0%. The fair value of the options was calculated at $28,772.

During the year ended November 30, 2022, 1,613,000 stock options, with a weighted average exercise price of $0.32 per share expired. As a result, the Company transferred $336,169 from share-based payment reserve to retained earnings.

Management

On March 22, 2021, the Company announced the resignation of a director of the Company, Dr. Karoly Nikolich and the appointment of Kevin Egan to the position of Chief Business Officer. In addition, Judi Dalling retired as CFO as at April 30, 2021.

On June 16, 2021, the Company announced the appointment of Hardy Forzley as Chief Financial Officer of the Company.

On August 31, 2021, Mr. Mark van der Horst retired as Vice President, Corporate Communications, and Kevin Egan retired as Chief Business Officer.

On September 7, 2021, the Company announced the appointment of Rob Gietl as Chief Executive Officer, President and Director. Mr. Gietl succeeded Dr. Patrick Gray, who now is Chairman of the Board of Directors.

On February 8, 2022, the Company received a Notice of Civil Claim against the Company from a former officer of the Company for damages due to a breach of contract and wrongful termination. The claim against the Company is for 500,000 common shares of the Company to be issued to the former officer, punitive damages, interest and costs. The 500,000 common shares were issued during the year ended November 30, 2022. No other amounts have been accrued in respect of this claim.

On January 19, 2023, the Company received a Notice of Application from a former officer, seeking damages due to a breach of contract and wrongful termination. Given the nature of the claim, it is not currently possible for the Company to predict the outcome or reasonably estimate the possible financial effect of damages in connection with the Notice of Application issued on January 19, 2023.

On February 28, 2022, the Company appointed Dr. Brian Bapty as its new Chief Executive Officer, President and Director and granted him 500,000 stock options. The stock options are exercisable at a price of $0.08 per share, for a period of five years, vesting quarterly over one year.

On November 30, 2022, Dr. Brian Bapty ceased to be Chief Executive Officer, President and Director and Dr. Patrick Gray was appointed interim Chief Executive Officer and President.

On March 21, 2022, the Company entered into a settlement agreement with an arm's length party to settle debt of $116,550 for $30,000 in cash, resulting in a gain on debt settlement of $86,550.

On November 30, 2022, the Company entered into a settlement agreement with an arm's length party to settle debt of $53,136 for $42,171 in cash, resulting in a gain on debt settlement of $10,965.

On November 30, 2022, the Company entered into agreements with non-arm's length parties stating that Company will issue 1,204,245 common shares of the Company and $5,000 in cash to settle debt of $195,840. On December 30, 2022, the Company entered into an agreement with a non-arm's length party to settle debt of $402,209 by issuing 5,027,613 common shares of the Company at a deemed price of $0.08 per share. As at the date of this document, the Company has not issued the common shares for debt.

Financial Position

The audited consolidated statement of financial position as of November 30, 2022 indicates a cash position of $8,370 (2021: $nil). Current assets are comprised of prepaid expenses of $3,245 (2021: $3,192) and accounts receivable of $7,208 (2021: $142,007). Non-current assets at November 30, 2022 are comprised of computer and lab equipment of $nil (2021: $9,989).

Current liabilities at November 30, 2022 total $851,203 (2021: $646,483), comprised of bank indebtedness of $nil (2021: $7,759), accounts payable and accrued liabilities of $626,586 (2021: $588,944) and short-term loan due to a related party of $224,617 (2021: $49,780). Non-current liabilities at November 30, 2022 are comprised of long-term accounts payable of $111,725 (2021: $nil).

Shareholders' equity is comprised of share capital of $13,052,100 (2021: $13,026,100), shares to be issued of $nil (2021: $46,000) and reserves of $424,152 (2021: $712,851).

As at November 30, 2022, the Company had a working capital deficit of $832,380 (2021: $501,284).

The weighted average number of common shares outstanding, basic and diluted as at November 30, 2022 was 65,546,824 (2021: 63,484,358).

Core Technologies

1. **Cannabinoid-based therapeutic for glioblastoma:** Glioblastoma is an aggressive type of cancer that arises in cells called astrocytes that support nerve cells. It can occur in the brain and spinal cord. It is a devastating cancer due to limited treatment options, its high rate of recurrence and aggressive nature. Glioblastoma strikes approximately 15,000 patients each year in North America and the median survival time is only 14 months. Therapies for glioblastoma are limited to surgery, radiation, and the chemotherapeutic drug temozolomide. Pascal's PAS-403 is a cannabinoid-derived molecule that kills patient-derived glioblastoma cells. PAS-403 is a mitotic inhibitor that blocks cell division. Several mitotic inhibitors already approved for cancer treatment show substantial benefit in reducing solid tumour burden when combined with other chemotherapeutic. However, unlike PAS-403, none of these drugs cross the blood-brain barrier and therefore have no activity on glioblastoma cells. PAS-403 kills cultured glioblastoma cells from patients and is very effective in a mouse model of glioblastoma. The alkylating drug, temozolomide, is currently licenced and used as a first line treatment for glioblastoma. Since temozolomide has a different mechanism of action compared to PAS-403, the two drugs should synergize and will possibly provide a superior method of treatment. Pascal has developed a manufacturing process for PAS-403 and completed much of the preclinical pharmacology efforts required for filing an Investigational New Drug with the FDA.

2. **VpreB antibody for the treatment of B cell precursor acute lymphoblastic leukaemia (ALL) and other leukaemias and lymphomas:**
   ALL is the most common childhood cancer, with the incidence peaking at approximately two to five years of age. In addition, ALL affects some older individuals with approximately 45% of ALL patients above age twenty. On an annual basis, more than 6,500 people in North America and approximately 40 cases per 1,000,000 people worldwide, present with the disease. Current treatment practices utilize harsh chemotherapy regimens. While effective in many patients, the near and long-term consequences of chemotherapy can be disabling. Therefore, there is a need for new strategies to address relapsed disease and ultimately replace chemotherapy as a frontline treatment.

   ALL is caused by genetic lesions that arise during the earliest stages of B lymphocyte development. Pascal has derived and selected monoclonal antibodies against a unique target, the pre-B Cell Receptor ("Pre-BCR"), that is specifically expressed on the surface of these pre-B cells and not expressed during subsequent stages of B cell development. The pre-BCR is also present on ALL cells. Therefore, in addition to killing the leukaemia cells, Pascal's antibodies, directed against one of the components of the pre-BCR, VpreB, should only deplete the earliest stages of developing B cells, leaving more mature B cells available to combat infection by their normal role-secretion of antibodies.

   Careful direct examination of large gene expression databases and exploration of the scientific literature revealed the unexpected expression of VpreB mRNA by tumour cells of subsets of acute myelogenous leukaemia (AML) and non-Hodgkin lymphoma ("NHL") patients. Experiments to screen cancer cells from large panels of these patients by immunocytochemistry using the VpreB antibody are planned. If the molecular data are confirmed at the protein level, a VpreB biomarker assay will be developed for identifying AML and NHL patients that may also benefit from VpreB antibody treatment.

3. **Novel natural compounds that are able to increase antigen expression on the surface of tumour cells, making them more visible to the immune system**. These molecules will be useful as cancer therapeutics by enabling increased killing of cancer cells by the immune system.

   Many cancer cells, including those that are metastatic, escape immune recognition and elimination after selection by immune editing whereby tumour antigens are not properly displayed on the cell surface and thus can not be properly recognized by the immune system. These escape variants do not express sufficient Major Histocompatibility Complex I ("MHC-I") molecules and their associated tumour antigen peptides at the cell surface. Thus, these tumour cells evade recognition by host immune surveillance mechanisms, making them resistant to most immunotherapeutic approaches for elimination of cancer. In February 2014, the Company entered into an agreement with the University of British Columbia ("UBC") whereby UBC conducted research to identify compounds that increase the expression of the Transporter of Antigen Processing ("TAP1") protein, a part of the antigen processing pathway, critical for MHC-I expression. Several

compounds that restored the presentation of tumour antigens at the cancer cell surface were identified. By developing a high-throughput screening assay applied to extracts from deep-sea sponges, the Company identified several unique molecules that induce antigen presentation in metastatic prostate and lung carcinomas.

From these extracts, new chemical structures that exhibit efficient restoration of MHC-I expression were identified. Subsequently, screening of additional extracts and purified compounds was performed, and several more active compounds were identified. One compound, curcuphenol, was initially identified as a leading candidate for immune upregulation.

Searching the chemical structure of curcuphenol against large chemical databases revealed that some structural elements of curcuphenol are found in certain cannabinoids, compounds found in extracts of the *Cannabis sativa* plant. Four hundred cannabinoids were tested for their ability to induce MHC-I expression in human cancer cell lines. Several distinct cannabinoids registered positive in this assay, with the most potent inducing MHC-I expression levels to approximately half of the levels induced by interferon gamma, a natural powerful physiologic inducer of MHC-1. Specifically, Pascal has identified a natural cannabinoid with good potency and pharmacologic properties. Pascal intends to develop this cannabinoid, PAS-393, as a therapeutic compound that will render cancer cells more visible to immune surveillance. Such a molecule has the potential to increase cancer cell recognition, thus dramatically increasing the efficacy of checkpoint inhibitors (therapeutic monoclonal antibodies) which release the cancer killing effects of cytolytic T cells.

4. **Cannabinoid therapeutic for treating COVID-19:** The coronavirus pandemic has triggered a massive, worldwide effort to develop effective vaccines and treatments for COVID-19. Despite the previous global focus on cancer research and treatment, the tremendous disruption of entire economies and health care systems worldwide stimulated Pascal's scientists to direct efforts towards a cannabinoid-based treatment for COVID-19.

   The decision was made to test a variety of cannabinoids for effects on the SARS-CoV-2 coronavirus since previously published data suggest that some cannabinoids have anti-viral functions. In addition, it has been shown that cannabinoids can upregulate major histocompatibility complex Type 1 (MHC-I) molecules that are expressed on the surface of tumour cells. As has been demonstrated in several infection models, this MHC upregulation also helps the immune system identify virus-infected cells. It has been observed that cannabis extracts downregulate the expression of receptors for the SARS-CoV-2 virus. Furthermore, some cannabinoids have immunomodulatory activity that can mitigate the uncontrolled inflammatory response known as a "cytokine storm" and subsequent upregulation of inflammatory proteins, which are often seen in the most severe COVID-19 patients.

   Since cannabinoids have the potential to limit the severity and progression of COVID-19, selected compounds were tested in a cell-based assay. It was found that one of Pascal's lead cannabinoids inhibits SARS-CoV-2 growth in primate cells *in vitro*. Pascal has since confirmed this SARS-CoV-2 anti-viral activity in four different laboratories, using different assay conditions and different strains of SARS-CoV-2. Significantly, the potency of the Pascal-selected cannabinoid in this assay was similar to that of remdesivir, a drug authorized by the FDA for emergency treatment of COVID-19. These initial observations illuminate the potential of cannabinoids for the treatment of COVID-19.

   Our initial results suggest that cannabinoids may act upon the virus or the virus-infected host cells cell to reduce virus infectivity or viral replication. However, it is likely that the scope of the benefit to the patient will extend far beyond the direct effect on the virus-cell interaction. The capacity of certain cannabinoids to restore cancer cell recognition by the immune system has been previously demonstrated. Many viruses, as with certain cancers, render their host cells invisible to immune recognition to protect them from destruction and removal. Cannabinoids may reverse this effect. In addition, cannabinoids are known for their anti-inflammatory properties. Thus, they may benefit the patient, much like dexamethasone does, in the later phase of disease when run-away inflammation is one of the main causes of tissue injury and even death.

Patents

Intellectual property and other proprietary rights are essential to the Company's business. The Company has filed patent applications to protect technology, inventions and improvements of inventions that are important for the development of the business.

In January 2018, the Company filed a provisional patent application, "Cannabinoids and derivatives for promoting immunogenicity of tumour and other infected cells", covering cannabinoid-like compounds that restore immune recognition of cancer cells thus increasing their subsequent destruction. The non-provisional application was filed January 21, 2019 and the Company is continuing to pursue the application.

Pursuant to the terms of the license agreement with the University of Washington in October 2018, the Company has retained the patent portfolio surrounding development of a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. The patent "Composition and methods for treating glioblastoma" filed in August 2011 by the University of Washington was granted by the United States Patent and Trademark Office in May 2015 (US Patent Number: 9,034,895) with expiry in November 2031.

In August 2018, the University of Washington filed a provisional patent titled "Modified Carbazoles Destabilize Microtubules and Kill Glioblastoma Multiforme Cells and BRAF Mutant Cancers," covering the cannabinoid-based compounds for treatment of glioblastomas and brain metastases. In August 2019, the Company filed a non-provisional patent application for patent protection. The Company is continuing to pursue the application.

In July 2019, the Company filed a provisional patent titled "Composition and Methods of Targeting the Pre-B Cell Receptor for the Treatment of Leukaemias and Lymphomas. In July 2020, the Company filed a non-provisional application for patent protection and is continuing to pursue this application.

In July 2020, the Company filed a provisional patent titled: "Method of Treating Coronavirus Infections with Cannabinoids and Derivatives". In July 2021, the Company filed a non-provisional application for patent protection and is continuing to pursue this application.

Results of Operations

During the year ended November 30, 2022, the Company reported a net loss and comprehensive loss of $480,280 ($0.01 basic and diluted loss per share) compared to a net loss and comprehensive loss of $1,088,931 ($0.02 basic and diluted loss per share) for the year ended November 30, 2021.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years.

	Year Ended November 30, 2022	Year Ended November 30, 2021	Year Ended November 30, 2020
Total Revenues	$nil	$nil	$nil
Net Loss and Comprehensive Loss	$480,280	$1,088,931	$1,237,927
Net Loss per share, basic and diluted	$0.01	$0.02	$0.02
Total Assets	$18,823	$155,188	$120,714
Weighted Average Number of Shares Outstanding	65,546,824	63,484,358	55,400,349
Shareholders' Equity (Deficit)	(944,105)	(491,295)	(352,339)

During the year ended November 30, 2022, the Company saw significant year over year decreases in share-based payments of $152,557, consulting fees of $129,042, investor relations and marketing of $113,630, and research and development of $106,403 (Please refer to *Analysis of Quarterly Results* below). Similarly, during the year ended November 30, 2021, the Company saw significant year over year decreases in consulting fees of $84,044, salaries and benefits of $399,930, and research and development of $82,702.

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight most recently completed quarters of operation prepared in accordance with IFRS and expressed in Canadian Dollars.

	2022				***2021***			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-	-	-	-
Net and comprehensive (gain) loss	201,453	94,730	48,633	135,464	402,196	241,275	286,089	159,371
Basic and diluted Loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	0.00

Share-based payments impacts expenses and net and comprehensive loss as follows: Q4 2022: $4,174, Q3 2022: $7,816, Q2 2022: $19,972, Q1 2022: $15,508, Q4 2021: $25,446, Q3 2021: $102,602, Q2 2021: $70,826 and Q1 2021: $1,153. Losses during the most recent three quarters are significantly lower due mainly to reduced salaries and research and development expenses. During Q4 of 2021, the Company received US $50,000 from SōRSE, recorded a receivable of US $100,000, pursuant to the collaborative research agreement, and applied these funds against salary expense. The Company recorded a bad debt expense of $129,477 during Q4 2022 and $50,723 during Q4 2021. The Company also recognized a gain on debt settlement of $86,550 during Q2 2022.

The Company's significant accounting policies are set out in Note 3 of the audited annual consolidated financial statements as at and for the year ended November 30, 2022.

Analysis of Quarterly Results

		Three Months Ended November 30,		Year Ended November 30,	
	Notes	**2022**	**2021**	**2022**	**2021**
		$	**$**	**$**	**$**
Accounting and audit fees		44,719	47,967	93,659	68,978
Administrative and general office		1,812	15,898	38,459	71,293
Amortization		2,274	3,245	8,294	16,325
Bank charges and interest		827	908	3,901	5,585
Consulting fees	a)	316	67,296	3,306	132,348
Salaries and benefits	b)	23,028	81,169	232,821	291,607
Foreign exchange		15,963	4,921	25,698	2,284
Insurance		4,987	6,022	19,848	40,280
Investor relations and marketing	c)	59	69,081	(4,683)	108,947
Legal fees		4,815	9,571	19,673	16,522
Research and development	d)	(15,553)	12,645	(48,628)	57,775
Share-based payments	e)	4,174	25,446	47,470	200,027
Transfer agent, listing and filing fees		2,814	7,304	17,937	26,188
Travel and entertainment		(13)	-	(754)	49
Bad debt expense		129,477	50,723	129,477	50,723
Interest income		-	-	(1,402)	-
Gain on sale of equipment		(7,281)	-	(7,281)	-
Gain on debt settlement		(10,965)	-	(97,515)	-

a) Consulting fees:
The decrease was mainly due to the resignation of Judi Dalling effective April 30, 2021. Further, there was a reclassification from consulting fees to share issue costs during the year ended November 30, 2022.

b) Salaries and benefits:
During the year ended November 30, 2022, the Company laid off most of its employees due to cash constraints. In addition, as the 15-month collaboration with SōRSE was over, the Company did not receive any funding to offset against salaries.

c) Investor relations and marketing:
During the year ended November 30, 2022, the Company decreased its investor relations activities due to cash constraints as compared to the year ended November 30, 2021, when there was cash inflow from the proceeds of the private placement.

d) Research and development:
During the year ended November 30, 2022, research and development was reduced due to cash constraints. During the year ended November 30, 2022, there is a recovery of 48,628 of research and development due to the Company receiving more funding from the NIH grant than expenses incurred.

e) Share-based payments:
The decrease is due to 500,000 stock options being granted during the year ended November 30, 2022 as compared to 3,775,000 stock options granted during the year ended November 30, 2021.

f) Bad debt expense:
During the year ended November 30, 2022, the Company recorded a bad debt expense of $129,477 related to research funding from SoRSE that was not received, compared to bad debt expense of $50,723 during the year ended November 30, 2021, related to a legal reimbursement from SoRSE.

g) Gain on debt settlement:
The Company recorded a gain on debt settlement of $97,515 on debt with multiple arm's length parties, compared to a gain on debt settlement of $nil during the year ended November 30, 2021.

Liquidity & Capital Resources

The Company has financed its operations to date through the issuance of common shares.

	November 30, 2022	November 30, 2021
	$	$
Working capital	(832,380)	(501,284)
Deficit	14,420,357	14,276,246

During the year ended November 30, 2022, net cash used in operating activities was $147,684 (2021: $614,928), comprised of a loss of $480,280 (2021: $1,088,931) net of amortization expense of $8,294 (2021: $16,325), share-based payments of $47,470 (2021: $200,027) gain on debt settlement of $97,515 (2021: $nil), gain on sale of equipment of $7,281 (2021: $nil), shares issued for services of $nil (2021: $46,000), bad debt expense of $129,477 (2021: $50,723), an increase in prepaid expenses of $53 (2021: decrease of $7,406), a decrease in accounts receivable of $5,322 (2021: increase of $108,928), and an increase in accounts payable and accrued liabilities of $246,882 (2021: increase of $262,450).

During the year ended November 30, 2022, cash from investing activities was $8,976 (2021: $nil), comprised of proceeds from the sale of equipment.

During the year ended November 30, 2022, cash from financing activities was $154,837 (2021: $624,078), comprised of proceeds from short-term loan less share issuance costs (refer to *Share Capital* above).

During the year ended November 30, 2021, the Company was awarded a grant of US$321,406 from the National Cancer Institute of the US National Institutes of Health (NIH), which will further augment the Company's cash position. This two-year award will fund development of Pascal's antibody drug for Acute Lymphoblastic Leukaemia (ALL). During the year ended November 30, 2022, the Company incurred $39,882 (US$30,802) (2021: $48,162/US$38,418) in research and development expenditures against income of $90,379 (US$69,803) (2021: $48,162/US$38,418) in funding from NIH.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

The following is a summary of related party transactions that occurred during the years ended November 30, 2022 and 2021:

Services provided by:		2022	2021
		$	$
Key management salaries/fees	a)	203,666	307,811
Director and officer salaries/fees	b)	15,132	417,284
Share-based payments		39,937	139,193
Benefits		18,163	120,799
		276,898	985,087

Related parties include:

a) Key management salaries include amounts paid to the current CEO, former CEO and the CFO

b) Director and officer salaries include amounts paid to the Vice President of Research and the Vice President of Therapeutic Development.

Included in accounts payable and accrued liabilities is $473,595 (2021: $233,820) payable to directors and officers of the Company. The amounts in accounts payable and accrued liabilities are non-interest bearing and due within 30 days. Additionally, there are loans to the Company by a director of the Company totalling $224,617 (US $137,818) (2021: $49,780 /US$34,318). The loan is unsecured, is due on demand and bears no interest.

On November 30, 2022, the Company entered into agreements with non-arm's length parties stating that Company will issue 1,204,245 common shares of the Company and $5,000 in cash to settle debt of $195,840. As at November 30, 2022, the Company has not issued the common shares and the full amount is recorded in accounts payable and accrued liabilities.

Contingency

On February 8, 2022, the Company received a Notice of Civil Claim against the Company from a former officer of the Company for damages due to a breach of contract and wrongful termination. The claim against the Company is for 500,000 common shares of the Company to be issued to the former officer, punitive damages, interest and costs. The 500,000 common shares with the fair value of $46,000 were issued during the year ended November 30, 2022. No other amounts have been accrued in respect of this claim.

On January 19, 2023, the Company received a Notice of Application from the former officer. Given the nature of the claim, it is not currently possible for the Company to predict the outcome or reasonably estimate the possible financial effect of damages in connection with the Notice of Application issued on January 19, 2023. No amounts have been accrued in respect of this claim.

Financial Instruments & Other Instruments

(a) Fair value

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at November 30, 2022 and 2021, the Company's financial instruments are comprised of cash, receivables, bank indebtedness and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for cash, receivables, short-term loan payable, and accounts

payable and accrued liabilities approximate fair values due to the short-term maturities of these financial instruments.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company considers its exposure to credit risk to be low, as its cash is deposited with a large financial institution with a strong credit rating. During the year ended November 30, 2022, the Company recorded a provision of $129,477 against receivables from SoRSE.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At November 30, 2022, the Company had cash and cash equivalents of $8,370 (2021: $nil) available to apply against short-term business requirements and current liabilities of $851,203 (2021: $646,483). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2022. The short-term loan payable is due on demand.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.

As at November 30, 2022 and 2021, the Company's net exposure to foreign currency risk is as follows:

US dollars	**2022**	**2021**
	$	**$**
Cash	6,169	(8,140)
Accounts receivable	-	100,000
Accounts payable	(233,320)	(265,944)
Short-term loan	(99,818)	(34,318)
Net exposure to foreign currency risk	(326,969)	(208,402)
Canadian dollar equivalent	(441,670)	(266,588)

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would have an immaterial effect on the Company's net loss and comprehensive loss.

(e) Other price risk

Other price risk is the risk that 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.

Risks and Uncertainties

Overview

An investment in the Company's shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, shareholders should carefully consider, in addition to the other information contained in this management discussion and analysis, the following risk factors. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Competition
The market for the Company's technology is highly competitive. The Company competes with other research teams who are also examining potential therapeutics with regards to cancer, viral infection, and other disorders. Many of its competitors have greater financial and operational resources and more experience in research and development than the Company. These and other companies may have developed or could in the future develop new technologies that compete with the Company's technologies or even render its technologies obsolete.

Competition in the Company's markets is primarily driven by:

- timing of technological introductions;
- ability to develop, maintain and protect proprietary products and technologies; and
- expertise of research and development team.

Litigation to Protect Company's Intellectual Property
The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or future patent applications. Even if such patents are issued, there can be no assurance that any patents issued or licensed to the Company will not be challenged. The Company's ability to establish and maintain a competitive position may be achieved in part by prosecuting claims against others who it believes to be infringing its rights. In addition, enforcement of the Company's patents in foreign jurisdictions will depend on the legal procedures in those jurisdictions. Even if such claims are found to be invalid, the Company's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation. In addition, the Company's involvement in intellectual property litigation could result in significant expense, which could materially adversely affect the use responsibilities, whether or not such litigation is resolved in the Company's favour.

Clinical testing and Regulatory approval
Since the Company's success is dependent on the successful completion of a third party pre-clinical trials, regulatory approval and introduction of its technology into the market and since the Company has completed none of the tasks at this time, the Company does not know if it will be able to complete them.

The timing of these events can vary dramatically due to factors such as delays or failures in the Company's clinical trials and the uncertainties inherent in the regulatory approval process. The Company might not be able to obtain the necessary results from its pre-clinical trials or to gain regulatory approval necessary for licensing its technology. The Company's failure to achieve these objectives will mean that an investor will not be able to recoup their investment or to receive a profit on their investment.

Intellectual Property
The Company's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. The Company files patent applications in the United States, Canada, Europe, and selectively in other foreign countries as part of its strategy to protect its proprietary products and technologies. However, patents provide only limited protection of the Company's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. The Company cannot provide assurances that patents will be granted with respect to any of its pending patent applications, that the scope of any of its patents will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. The Company's current patents could be successfully challenged, invalidated or circumvented. This could result in the Company's patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that the Company considers significant could have a material adverse effect on its business. The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as the laws of Canada and the United States. The Company holds patents only in selected countries. Therefore, third parties may be able to replicate technologies covered by the Company's patents in countries in which it does not have patent protection.

Legal Proceedings
In the course of the Company's business, the Company may from time to time have access to confidential or proprietary information of third parties, and these parties could bring a claim against the Company asserting that it has misappropriated their technologies and had improperly incorporated such technologies into its products. Due to these factors, there remains a constant risk of intellectual property litigation affecting the Company's business. In the future, the Company may be made a party to litigation involving intellectual property matters and such actions, if determined adversely, could have a material adverse effect on the Company.

Dependence upon Management
Although the Company Issuer is expected to have experienced senior management and personnel, it will be substantially dependent upon the services of a few key personnel. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If it loses any of these persons, or is unable to attract and retain qualified personnel, its business, financial condition and results of operations may be materially and adversely affected.

Going Concern
The ability of the Company to continue as a going concern is dependent on its ability to generate future profitable operations and to obtain additional debt or equity financing. There can be no assurance that the Company's operations will achieve profitability in the future or that the the Company will be able to successfully obtain financing on commercially reasonable terms or at all.

Substantial Capital Requirements and Liquidity
Substantial additional funds for the Company's research and development programs will be required. No assurances can be given that the the Company will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, or even cease its operations.

Reliance on Third Parties
The Company is relying on a third party to assist it in conducting both pre-clinical and clinical trials. If this third party does not successfully carry out their contractual duties or meet expected deadlines, the Company may not be able to obtain regulatory approval for or commercialize its technology.

Unproven market
The Company believes that there will be many different applications for its technologies and that the anticipated market for these technologies will continue to expand. However, no assurance can be given that these beliefs will be correct owing, in particular, to competition from existing technologies or new technologies and the yet to be established replication of the Company's pre-clinical results.

Limited Operating History
The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future.

Conflicts of Interest
Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including research and development companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The *Business Corporations Act*, (British Columbia) ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Market risk
The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations
In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, have experienced wide fluctuations which have not necessarily been related to the

operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Global Uncertainty

The Company's business could be adversely affected by the effects of health epidemics and pandemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, COVID-19 has spread globally, to include Canada, the United States, several European countries, Asia, Australia and New Zealand and Africa. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses.

The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic has resulted in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Company's business and the value of the Company's common shares.

The continued spread of COVID-19 globally could also adversely affect the Company's planned clinical trial operations, including its ability to initiate the trials on the expected timelines and recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 if an outbreak occurs in their geographic areas. Further, the COVID-19 outbreak could result in delays in clinical trials due to prioritization of hospital resources toward the outbreak, restrictions in travel, potential unwillingness of patients to enrol in trials at this time, or the inability of patients to comply with clinical trial protocols if quarantines or travel restrictions impede patient movement or interrupt healthcare services. In addition, the Company relies on independent clinical investigators, contract research organizations and other third-party service providers to assist in managing, monitoring and otherwise carrying out preclinical studies and clinical trials, and the outbreak may affect their ability to devote sufficient time and resources to the Company's programs or to travel to sites to perform work for us.

The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Other MD&A requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements for the years ended November 30, 2022 and 2021.

Outstanding share data

Common shares issued and outstanding as at November 30, 2022 are described in detail in Note 6 to the audited consolidated financial statements for the years ended November 30, 2022 and 2021.

As at the date of this document, the Company had the following number of securities outstanding:

Number of shares Issued and outstanding	$	Number of options	Exercise price	Expiry date
65,594,769	13,052,100			
		800,000	$0.35	August 2, 2023
		500,000	$0.08	November 30, 2023
		400,000	$0.15	December 18, 2025
		2,375,000	$0.08	April 20, 2026
		Number of share purchase warrants		
		1,900,000	$0.15	March 17, 2023

Schedule C

Consolidated financial statements for the years ended November 30, 2021 and November 30, 2020
of Nevis Brands Inc. (formerly Pascal Biosciences Inc.)

PASCAL BIOSCIENCES INC.
Consolidated Financial Statements
For the Years Ended November 30, 2021 and 2020

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PASCAL BIOSCIENCES INC.

Opinion

We have audited the consolidated financial statements of Pascal Biosciences Inc. (the "Company"), which comprise:

- the consolidated statements of financial position as at November 30, 2021 and 2020;
- the consolidated statements of loss and comprehensive loss for the years then ended
- the consolidated statements of changes in shareholders' deficiency for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at November 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $1,088,931 during the year ended November 30, 2021 and, as of that date, the Company has a deficit of $14,276,246. 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 Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion & Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

Smythe LLP | **smythecpa.com**

Vancouver
1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
600 - 19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 - 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

We obtained the Management's Discussion & Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, 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 International Financial Reporting Standards, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit 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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Smythe LLP | smythecpa.com

Vancouver
1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
600 - 19933 88 Ave
Langley, BC V2Y 4K5
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F: 604 357 1376

Nanaimo
201 - 1825 Bowen Rd
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- 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 Company'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 Company 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 Company 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 23, 2022

Smythe LLP | smythecpa.com

Vancouver
1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
600 - 19933 88 Ave
Langley, BC V2Y 4K5
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201 - 1825 Bowen Rd
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Pascal Biosciences Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at November 30:

	Notes	2021	2020
ASSETS		**$**	**$**
Current			
Prepaid expenses		3,192	10,598
Receivables	8,13	142,007	83,802
Total current assets		145,199	94,400
Equipment	5	9,989	26,314
Total assets		155,188	120,714
LIABILITIES			
Current liabilities			
Bank indebtedness		7,759	16,909
Accounts payable and accrued liabilities	10	588,944	326,494
Short-term loan payable	10	49,780	129,650
Total liabilities		646,483	473,053
SHAREHOLDERS' DEFICIENCY			
Equity attributable to shareholders			
Share capital	6	13,026,100	12,331,652
Shares to be Issued	10	46,000	-
Reserves	6	712,851	887,921
Deficit		(14,276,246)	(13,571,912)
Total shareholders' deficiency		(491,295)	(352,339)
Total liabilities and shareholders' deficiency		155,188	120,714

Approved on behalf of the Board:

"Patrick W. Gray" — Director

"Terry Pearson" — Director

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

Pascal Biosciences Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the years ended November 30

	Notes	2021	2020
		$	$
General and administrative expenses			
Accounting and audit fees		68,978	36,354
Administrative and general office		71,293	52,537
Amortization	5	16,325	12,478
Bank charges and interest		5,585	6,676
Consulting fees	10	132,348	216,392
Salaries and benefits	4, 8, 10	291,607	691,537
Foreign exchange loss		2,284	7,092
Insurance		40,280	56,761
Investor relations and marketing		108,947	12,967
Legal fees		16,522	4,481
Research and development	4, 13	57,775	140,477
Share-based payments	6, 10	200,027	15,521
Transfer agent, listing and filing fees		26,188	31,060
Travel and entertainment		49	163
Total general and administrative expenses		(1,038,208)	(1,284,496)
Other Income			
Bad debt expense	8	(50,723)	-
Interest income		-	416
Gain on debt settlement	6	-	46,153
Net loss and comprehensive loss for the year		(1,088,931)	(1,237,927)
Loss per share, basic and diluted		(0.02)	(0.02)
Weighted average common shares outstanding - basic and diluted		63,484,358	55,400,349

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

Pascal Biosciences Inc.

Consolidated Statements in Shareholders' Deficiency

(Expressed in Canadian Dollars)

	Common Shares					Total
	Number of Shares	Amount	Shares to be Issued	Option Reserve	Deficit	Shareholders' Deficiency
		$	$	$	$	$
Balance, November 30, 2019	52,647,396	11,805,621	-	1,115,120	(12,576,705)	344,036
Shares issued for cash	3,793,548	341,419	-	-	-	341,419
Shares issued for debt	1,153,825	184,612	-	-	-	184,612
Share-based payments	-	-	-	15,521	-	15,521
Fair value transfer on expiry of options	-	-	-	(242,720)	242,720	-
Net loss for the year	-	-	-	-	(1,237,927)	(1,237,927)
Balance, November 30, 2020	57,594,769	12,331,652	-	887,921	(13,571,912)	(352,339)
Shares issued for cash	7,500,000	740,500		9,500	-	750,000
Share issuance costs	-	(46,052)		-	-	(46,052)
Shares to be issued in lieu of salaries	-	-	46,000	-	-	46,000
Share-based payments	-	-	-	200,027	-	200,027
Fair value transfer on expiry and cancellation of options	-	-	-	(384,597)	384,597	-
Net loss for the year	-	-	-	-	(1,088,931)	(1,088,931)
Balance, November 30, 2021	**65,094,769**	**13,026,100**	**46,000**	**712,851**	**(14,276,246)**	**(491,295)**

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

Pascal Biosciences Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended November 30

	2021	2020
	$	$
Cash provided by (used in):		
Operating activities:		
Net loss for the year	(1,088,931)	(1,237,927)
Items not involving cash:		
Amortization	16,325	12,478
Share-based payments	200,027	15,521
Gain on settlement of debt	-	(46,153)
Shares issued for services	46,000	-
Bad debt expense	50,723	-
Changes in non-cash working capital:		
Prepaid expenses	7,406	16,933
Receivables	(108,928)	(69,495)
Accounts payable and accrued liabilities	262,450	445,814
	(614,928)	(862,829)
Financing activities:		
Shares issued for cash	624,500	341,419
Proceeds from short-term loan	45,630	129,650
Share issuance costs	(46,052)	-
	624,078	471,069
Net change in bank indebtedness	9,150	(391,760)
Cash (bank indebtedness), beginning of year	(16,909)	374,851
Bank indebtedness, end of year	(7,759)	(16,909)
Supplemental cash flow information:		
Interest paid	-	-
Taxes paid	-	-
Short-term loan payable applied to shares issued for cash	125,500	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Pascal Biosciences Inc. (the "Company") was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia). On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc. ("BAT"), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Pascal Biosciences US, Inc. ("Pascal (US)"). The Company is a Tier 2 Biotechnology Issuer engaged in the research and development of products for the treatment of cancers and for improvement of the immune system, trading on the TSX Venture Exchange (the "Exchange") under the trading symbol "PAS".

The Company's head office is Suite 304, 4000 Mason Road, Seattle, WA 98195.

The Company has not generated any revenues and has incurred losses since inception. The Company expects to spend a significant amount of capital to fund research and development. As a result, the Company expects that its operating expenses will increase significantly, and consequently, will require significant revenues to become profitable. Even if the Company does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company cannot predict when, if ever, it will be profitable. There can be no assurances that the intellectual property of the Company, or other technologies it may acquire, will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, or be successfully marketed. The Company plans to undertake additional laboratory and animal studies with respect to its intellectual property, and there can be no assurance that the results from such studies or trials will result in a commercially viable product or will not identify unwanted side effects.

These consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2021, the Company has an accumulated deficit of $14,276,246 (2020: $13,571,912) and reported a net loss of $1,088,931 (2020: $1,237,927). The Company's ability to maintain its existence is dependent upon the continuing support of its creditors and its success in obtaining new equity financing for its ongoing operations. Financing options available to the Company include equity financings and loans. These conditions indicate the existence of material uncertainties that may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Realization values of the Company's assets may be substantially different from carrying values as shown in these condensed consolidated interim financial statements and, accordingly, should the Company be unable to continue as a going concern, the adjustments could be material.

Since January 2020, the outbreak of the worldwide COVID-19 pandemic, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries can be expected that are difficult to quantify.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration and enduring impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results, condition, and financings (equity and debt) of the Company in future periods.

There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic's impact on global industrial and financial markets which may reduce share prices and financial liquidity, thereby limiting access to additional capital.

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION

(a) Statement of compliance

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 23, 2022.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its wholly owned subsidiaries, BAT and Pascal (US).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, BAT and Pascal (US). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All significant intercompany transactions and balances have been eliminated upon consolidation.

(b) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(c) Research and development costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria, including technical feasibility, commercial feasibility, intent and ability to develop and use the technology, are met for deferral and amortization. No development costs have been deferred to date.

(d) Government assistance

Government grants are recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Company 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 Company for the cost of an asset are applied against the cost of the asset and recognized in profit or loss on a systematic basis over the useful life of the asset.

(e) Share capital

Common shares issued by the Company are classified as shareholders' equity (deficiency). Incremental costs directly attributable to the issuance of shares are recognized as a deduction from shareholders' equity (deficiency).

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the residual method whereby proceeds are allocated first to common shares based on the market trading price of the common shares, and any remaining balance is allocated to warrants.

(f) Share-based payments

The Company accounts for share-based payments using a fair value-based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees.

For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. When options and warrants are exercised, the related amount in the options and warrants reserve is transferred to share capital. When options and warrants expire unexercised, such amounts are transferred to deficit.

(g) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between financial statement carrying amounts of existing assets and liabilities, and their respective tax basis (temporary differences). Deferred income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively enacted. The amount of deferred income tax assets recognized is limited to the amount of the benefit that is probable of being realized.

(h) Functional currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

i. Monetary assets and liabilities, at the rate of exchange in effect as at the consolidated statement of financial position date;
ii. Non-monetary assets and liabilities, at the exchange rates prevailing at the time of acquisition of the assets or assumption of the liabilities; and
iii. Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange on the transaction date.

Gains and losses arising from this translation of foreign currency are included in determination of profit or loss for the year.

(i) Significant accounting judgments, estimates and assumptions

The preparation of these 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.

Significant assumptions about the future and other sources of estimated uncertainty that management has made as at the consolidated statements of financial position date that could result in a material adjustment to the carrying amount of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Accounting Estimates

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to, the following:

- Share-based payments

  The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and changes in other subjective input assumptions that can materially affect the fair value estimate.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual research and development programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- Accounts receivable

  Accounts receivable is recorded at the estimated recoverable amount, which involves the estimate of uncollectible amounts.

- Treatment of research and development expenses

  The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Significant judgment is required to distinguish between the research and development phases. Estimates and assumptions may change if new information becomes available. If new information suggests future economic benefits are unlikely, the amount capitalized is written off to profit or loss.

- Recovery of deferred tax assets

  The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and

acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements.

- Functional currency

  The functional currency of the Company and its subsidiaries is the currency of their respective primary economic environment, and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

(j) Earnings (loss) per share

The Company presents basic and diluted earnings (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 shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the exercise or contingent issuance of securities only when such exercise or issuance would have a dilutive effect on the earnings (loss) per share.

(k) Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded using the declining-balance method and is intended to depreciate the cost of the assets over their estimated useful lives as follows:

Lab equipment	20%
Computer equipment	55%

(l) Financial instruments

Financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized costs
A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. The Company's receivables are classified as amortized costs.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")
A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in other comprehensive income. The Company does not have financial asset classified as FVTOCI.

Financial assets measured at fair value through profit or loss ("FVTPL")
A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if 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 financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss). The Company does not have any financial asset classified as FVTPL.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities, short-term loan payable and bank indebtedness are classified as financial liabilities subsequently measured at amortized cost.

4. GOVERNMENT ASSISTANCE

During the year ended November 30, 2021, the Company was awarded a grant of US$321,406 from the National Cancer Institute of the US National Institutes of Health (NIH). This two-year award will fund development of Pascal's antibody drug for Acute Lymphoblastic Leukemia (ALL), which is the most common childhood leukemia. During the year ended November 30, 2021, the Company incurred US$38,418 (2020: $nil) in research and development expenditures against income of US$38,418 (2020: $nil) in funding from NIH.

(Expressed in Canadian Dollars)

During the year ended November 30, 2020, Pascal (US) applied to the US Small Business Administration for emergency funds from the Paycheck Protection Plan ("PPP loan") and received $206,144 for funding its operations in Seattle. The PPP loan has an interest rate of 1%, which is deferred for ten months and is forgivable if used to retain employees. The PPP loan has a maturity of two years and the full amount is forgivable when the Company applies for forgiveness and as long as Pascal (US)'s employee and compensation levels are maintained, loan proceeds are spent on payroll costs and other eligible expenses and at least 60% of the proceeds are spent on payroll costs. The Company has recognized the full forgiveness in the year ended November 30, 2020 as the Company has received full forgiveness for the PPP loan from the US Small Business Administration. The government assistance of $206,144 is included as a reduction of salaries and benefits.

5. EQUIPMENT

Cost	Lab Equipment	Computer Equipment	Total
Balance November 30, 2019	$ 9,870	$ 4,401	$ 14,271
Transfer from assets held for sale (note 8)	57,358	-	57,358
Balance November 30, 2020 and 2021	$ 67,228	$ 4,401	$ 71,629
Accumulated Amortization			
Balance, November 30, 2019	$ 7,176	$ 149	$ 7,325
Transfer from assets held for sale (note 8)	25,512	-	25,512
Charge for the year	12,278	200	12,478
Balance November 30, 2020	$ 44,966	$ 349	$ 45,315
Charge for the year	14,398	1,927	16,325
Balance November 30, 2021	$ 59,364	$ 2,276	$ 61,640
Carrying Value			
Balance, November 30, 2020	$ 22,262	$ 4,052	$ 26,314
Balance, November 30, 2021	$ 7,864	$ 2,125	$ 9,989

6. SHARE CAPITAL

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Common shares

Year ended November 30, 2021

On March 17, 2021, the Company closed the second tranche of the non-brokered private placement by issuing 1,900,000 Units at a price of $0.10 per Unit for gross proceeds of $190,000. Part of the gross proceeds was paid by settling $125,500 of the short-term loan payable. Each Unit consists of one common share and one common share purchase warrant. Each warrant will entitle

the holder to purchase one additional common share of the Company at a price of $0.15 for a period of 24 months from the date of closing, subject to an acceleration clause, under which the Company may exercise once the Units are free of resale restrictions and if the Company's shares are trading at or above a volume weighted average price of $0.40 for 10 consecutive trading days. The warrants will expire upon 30 days from the date the Company provides notice in writing to the warrant holders via a news release. The Company paid $1,365 in finder's fees and incurred cash share issuance costs of $12,487 related to the closing of the second tranche. The Company allocated $9,500 of the gross proceeds to warrants using the residual method.

On February 8, 2021, the Company closed the first tranche of a private placement by issuing 5,600,000 Units at a price of $0.10 per Unit for gross proceeds of $560,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.15 per share for a period of 24 months from the date of closing, subject to an acceleration clause which the Company may exercise once the Units are free of resale restrictions and if the Company's shares are trading at or above a volume weighted average price of $0.40 for 10 consecutive trading days. The warrants will expire upon 30 days from the date the Company provides notice in writing to the warrant holders via a news release. The Company paid $32,200 in finder's fees related to the closing of the first tranche.

Year ended November 30, 2020

On November 30, 2020, the Company issued 1,153,825 common shares of the Company to related parties to settle debt owing of $230,765. The shares were issued at a fair value of $184,612 and a gain on debt settlement of $46,153 was recorded.

On March 24, 2020, the Company completed a non-brokered private placement for gross proceeds of $341,419 and issued 3,793,548 units (each a "Unit") to SōRSE Technology Corporation (the "Purchaser"), at a price of $0.09 per Unit. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant will entitle the Purchaser to purchase one additional common share at a price of $0.15 until March 24, 2022.

(c) Stock options

During the year ended November 30, 2012, the Company adopted a stock option plan, which provides that the Board of Directors may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and exercisable for five years from the date of grant.

(Expressed in Canadian Dollars)

A summary of the Company's outstanding stock options and changes is as follows:

	Quantity	Weighted Average Exercise Price ($)
Outstanding, November 30, 2019	5,050,000	0.33
Expired	(1,135,000)	0.34
Outstanding, November 30, 2020	3,915,000	0.37
Granted	3,775,000	0.09
Expired	(1,510,000)	0.19
Cancelled	(392,000)	0.72
Outstanding, November 30, 2021	5,788,000	0.19
Exercisable as at November 30, 2021	4,467,500	0.22

On September 3, 2021, the Company granted 500,000 stock options to the former CEO, Rob Gietl. The stock options are exercisable at a price of $0.08 per share, for a period of five years and vest immediately on the grant. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.98%, expected dividend rate of 0%, expected volatility of 95.83%, and forfeiture rate of 0%. The fair value of the options was calculated at $31,082. The share-based payment expense recognized during the year ended November 30, 2021 was $31,082 (2020: $nil).

On April 20, 2021, the Company granted 2,875,000 stock options to directors, employees and consultants of the Company. The stock options are exercisable at a price of $0.08 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.75%, expected dividend rate of 0%, expected volatility of 94.59%, and forfeiture rate of 0%. The fair value of the options was calculated at $164,478. The share-based payment expense recognized during the year ended November 30, 2021 was $123,603 (2020: $nil).

On December 18, 2020, the Company granted 400,000 stock options to directors and employees of the Company. The stock options are exercisable at a price of $0.15, for a period of five years and vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.35%, expected dividend rate of 0%, expected volatility of 94.21%, and forfeiture rate of 0%. The fair value of the options was calculated at $42,621. The share-based payment expense recognized during the year ended November 30, 2021 was $42,096 (2020: $nil).

On May 28, 2019, the Company granted 198,000 stock options to consultants, exercisable at a price of $0.20 per share. The stock options will vest quarterly over 36 months and expire on May 28, 2022. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 1.48%, expected dividend rate of 0%, expected volatility of 87.39%, and forfeiture rate of 0%. The fair value of the options was calculated at $21,651. The share-based payment expense recognized during the year ended November 30, 2021 was $3,246 (2020: $8,430).

On August 3, 2018, the Company granted 2,100,000 stock options to officers, directors and consultants, exercisable at a price of $0.35 per share. 1,475,000 of the stock options will vest

(Expressed in Canadian Dollars)

quarterly over 12 months and expire on August 3, 2023. 625,000 of the stock options will vest quarterly over 24 months and expire on August 3, 2021. The fair value of 1,475,000 of the stock options granted was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 2.35%, expected dividend rate of 0%, expected volatility of 93.22%, and forfeiture rate of 0%. The fair value of the stock options was estimated at $372,000. The fair value of 625,000 of the stock options granted was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 2.35%, expected dividend rate of 0%, expected volatility of 97.21%, and forfeiture rate of 0%. The fair value of the stock options was estimated at $134,324. The share-based payment expense recognized during the year ended November 30, 2021 was $nil (2020: $7,091).

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying consolidated statements of operations and comprehensive loss.

The options outstanding at November 30, 2021 are as follows:

Expiry Date	Outstanding	Exercisable		Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
December 18, 2021	150,000	150,000	(1)	0.29	0.05
December 18, 2021	475,000	475,000	(1)	0.35	0.05
March 22, 2022	50,000	50,000	(1)	0.33	0.31
March 22, 2022	100,000	100,000	(1)	0.35	0.31
April 30, 2022	35,000	35,000		0.33	0.41
April 30, 2022	100,000	100,000		0.35	0.41
May 28, 2022	198,000	165,000		0.20	0.49
June 27, 2022	505,000	505,000		0.33	0.57
January 28, 2023	100,000	100,000		0.29	1.16
August 2, 2023	800,000	800,000		0.35	1.67
December 18, 2025	400,000	300,000		0.15	4.05
April 20, 2026	2,375,000	1,187,500		0.08	4.39
September 3, 2026	500,000	500,000		0.08	4.78
	5,788,000	4,467,500		0.19	2.83

(1) Subsequent to November 30, 2021, 775,000 options expired unexercised.

(Expressed in Canadian Dollars)

(d) Share purchase warrants

A summary of the Company's outstanding share purchase warrants and changes is as follows:

	Quantity	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
Balance, November 30, 2019	387,594	0.40	0.27
Issued	3,793,548	0.15	1.31
Expired	(387,594)	0.40	-
Balance, November 30, 2020	3,793,548	0.15	1.31
Issued	7,500,000	0.15	1.22
Balance, November 30, 2021	11,293,548	0.15	0.91

The warrants outstanding at November 30, 2021 are as follows:

Expiry Date	Number Outstanding		Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
March 24, 2022	3,793,548	(1)	0.15	0.31
February 8, 2023	5,600,000		0.15	1.19
March 17, 2023	1,900,000		0.15	1.29
	11,293,548		0.15	0.91

(1) Subsequent to November 30, 2021, 3,793,548 warrants expired unexercised.

(Expressed in Canadian Dollars)

7. INCOME TAXES

As at November 30, 2021 the Company has non-capital losses of approximately $5,539,000, which may be applied against future income for Canadian income tax purposes and non-capital losses of approximately $5,673,000, which may be applied against future income for US income tax purposes. The potential future tax benefits of these losses have not been recorded in these consolidated financial statements.

The losses expire as follows:

	$
2031	13,000
2032	88,000
2033	396,000
2034	528,000
2035	657,000
2036	652,000
2037	796,000
2038	2,599,000
2039	3,348,000
2040	1,300,000
2041	835,000
	11,212,000

A reconciliation of income tax provision computed at Canadian statutory rates to the reported taxes is as follows:

	2021	2020
	$	$
Loss before income taxes	(1,088,931)	(1,237,927)
Income tax as statutory rates	27.00%	27.00%
Expected income tax recovery	(294,011)	(334,240)
Non-deductible items	54,007	4,191
Temporary differences attributed to:		
Change in timing differences	(13,204)	-
Under (over) provided in prior years	181,433	(36,539)
Foreign exchange	37,203	(37,464)
Unused tax losses and tax offsets not recognized	34,572	404,052
Total income tax recovery	-	-

The Company recognizes tax benefits on losses or other deductible amounts generated where the criteria for the recognition of deferred tax assets have been met. The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements, as it is not probable that the deferred tax assets will be realized in the future:

(Expressed in Canadian Dollars)

	2021	2020
	$	$
Non-capital losses carried forward	11,212,000	10,368,000
Equipment, patents and licenses	1,649,000	2,229,000
Share issuance costs	125,000	264,000
Cumulative eligible capital	69,000	69,000
	13,055,000	12,930,000

8. COLLABORATIVE RESEARCH AGREEMENT

During the year ended November 30, 2020, the Company entered into a term sheet with SōRSE Technology Corporation ("SōRSE") whereby SōRSE will acquire all of the issued and outstanding equity interests of Pascal (US) for a consideration of US$10,000,000, which will be paid (i) as US$9,500,000 through the issuance of SōRSE Class C common stock and (ii) US$500,000 as cash (the "Transaction").

On May 27, 2020, the Company and SōRSE mutually agreed not to proceed with the Transaction and the term sheet was terminated. Accordingly, assets and liabilities of Pascal (US) were no longer classified as net liabilities held for sale. In accordance with the Term Sheet, SōRSE will reimburse the Company for up to $100,000 legal fees in connection with the Transaction. During the year ended November 30, 2021, the Company wrote off accounts receivable of $50,773 in relation to the legal reimbursement from SōRSE.

On September 14, 2020, the Company and SōRSE announced that they have entered into a Collaborative Research Agreement (the "Agreement") to advance Pascal's immune-stimulating cannabinoid PAS-393 into clinical testing in humans. Pascal (US) and SōRSE will share their respective technologies to test the cannabinoid PAS-393 in human volunteers, enabling testing of cancer patients treated with checkpoint inhibitors.

SōRSE will provide US$750,000 in research funding to Pascal (US) throughout the 15-month collaboration and will pay for related research expenditures. During the year ended November 30, 2021, the Company received $563,801 (US$500,000) (2020: $206,864/US$154,079) of research funding and recorded an account receivable of $127,920 (US$100,000) (2020: $nil), which is included in salaries and benefits.

9. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

The Company includes shareholders' equity (deficiency), comprised of issued share capital, reserves and deficit in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in the 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, enter into joint venture arrangements, acquire or dispose of assets, or adjust the amount of cash.

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 manage its capital to be able to sustain the future

development of the Company's business. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended November 30, 2021.

10. RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions that occurred during the years ended November 30, 2021 and 2020:

Services provided by:		2021	2020
		$	$
Key management salaries/fees	a)	307,811	311,389
Director and officer salaries/fees	b)	417,284	554,233
Share-based payments		139,193	-
Benefits		120,799	123,704
		985,087	989,326

Related parties include:

a) Key management salaries include amounts paid to the CEO, former CEO and the CFO.

b) Director and officer salaries include amounts paid to the Vice President of Research, the Vice President of Therapeutic Development and the Chief Business Officer.

Included in accounts payable and accrued liabilities is $233,820 (2020: $69,522) payable to directors and officers of the Company. The amounts in accounts payable and accrued liabilities are non-interest bearing and due within 30 days. Included in the above are loans to the Company by a director of the Company totaling $49,780 (US $34,318) (2020: $129,650 /US$100,000). The loan is unsecured, is due on demand and bears no interest.

At November 30, 2021 the Company has the commitment to issue 500,000 common shares to the former CEO, Rob Gietl, per his employment agreement in lieu of two months' worth of salary (Note 15).

11. COMMITMENTS

Commitments over the next five fiscal years are as follows:

a) Consulting agreement for bookkeeping services to Pascal (US) for an annual fee of US $24,000. During the year ended November 30, 2021, this was increased to an annual fee of US $36,000.

The Company has also entered into the following agreements:

a) University of Washington: On October 9, 2018, the Company entered into an exclusive license agreement with the University of Washington ("UW") to develop a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. Under the terms of the agreement, the Company will pay the annual fees (US Dollars) as follows:

October 9, 2020	$ 5,000 (paid)
October 9, 2021	$ 10,000
Every year thereafter until first sale	$ 25,000

12. FINANCIAL INSTRUMENTS

(a) Fair value

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at November 30, 2021 and 2020, the Company's financial instruments are comprised of bank indebtedness, accounts receivables, and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for bank indebtedness, receivables, short-term loan payable, and accounts payable and accrued liabilities approximate fair values due to the short-term maturities of these financial instruments.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of receivables. The Company limits its exposure to credit loss by having its receivables from an entity it has been in business with for a long time. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At November 30, 2021, the Company had cash and cash equivalents of $nil (2020: $nil) available to apply against short-term business requirements and current liabilities of $646,483 (2020: $473,053). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2021. The short-term loan payable is due on demand.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.

(Expressed in Canadian Dollars)

As at November 30, 2021 and 2020, the Company's net exposure to foreign currency risk is as follows:

US dollars	2021	2020
	$	$
Bank indebtedness	(8,140)	(12,506)
Accounts receivable	100,000	-
Accounts payable	(265,944)	(112,555)
Short-term loan payable	(34,318)	(100,000)
Net exposure to foreign currency risk	(208,402)	(225,061)
Canadian dollar equivalent	(266,588)	(282,931)

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would have an immaterial effect on the Company's net loss and comprehensive loss.

(e) Other price risk

Other price risk is the risk that 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.

13. RESEARCH AND DEVELOPMENT

During the year ended November 30, 2021, the Company incurred $57,775 (2020: $140,477) in research and development expenditures against income of $752,184 (2020: $206,864) and an account receivable of $127,920 in funding from SõRSE (Note 8).

14. SEGMENTED INFORMATION

The Company has one operating segment, biotechnology research and development, with lab and computer equipment in the United States of America.

15. EVENTS SUBSEQUENT TO THE YEAR

Subsequent to November 30, 2021, the Company issued 500,000 common shares, with a fair value of $46,000 to the former CEO, Rob Gietl, per his employment agreement in lieu of two months' worth of salary.

On February 8, 2022, the Company received a Notice of Civil Claim against the Company from a former officer of the Company for damages due to a breach of contract and wrongful termination. The claim against the Company is for 500,000 common shares of the Company to be issued to the former officer, punitive damages, interest and costs. The 500,000 common shares were issued subsequent to year end. No other amounts have been accrued in respect of this claim.

On February 28, 2022, the Company granted 500,000 stock options to the CEO. The stock options are exercisable at a price of $0.08 per share, for a period of five years, vesting quarterly over one year.

In March 2022, the Company entered into agreements with non-arm's length and arm's length parties to settle debt of $474,812 by issuing 4,478,276 common shares of the Company at a deemed price of $0.08 per share and $30,000 in cash.

On March 16, 2022, the Company signed a term sheet with Shape Capital Pty Ltd. (Shape) of Melbourne, Victoria, an investment and advisory firm, which will provide a three-year, convertible note for $2,000,000. The note is non-interest bearing and is structured to advance to Pascal tranches of $55,000 per month which, at the option of the investors in the note, can be doubled to $110,000 on any given month.

With each drawdown, Pascal will issue common shares to satisfy the note. The number of shares issued will be based on a Conversion Price equal to 90% of the average of five daily volume-weighted average prices (VWAPs), selected by the Investor, during the 22 trading days prior to the Conversion Notice. If that price is less than the Discounted Market Price, as defined by the TSX.V, the Conversion Price will be the Discounted Market Price. The Company is being charged an administration fee by Shape of $130,000 ($65,000 within 3-days of acceptance, and $65,000 at twelve months), and a commitment fee of $80,000. The $210,000 will be paid by the issue of 2,100,000 Shares at deemed price of $0.10 per Share. Investors will be issued 2,200,000 Share purchase warrants to acquire, for one year, one further Share. This transaction is subject to TSX approval.

Schedule D

Management discussion and analysis of the Financial Condition and Results of Operations for the Financial year ended November 30, 2021 of Nevis Brands Inc.(formerly Pascal Biosciences Inc.)

PASCAL BIOSCIENCES INC.
Suite 304, 4000 Mason Road, Seattle WA 98195

Form 51-102F1

Management's Discussion & Analysis of Financial Condition and Results of Operations for the Financial Year Ended November 30, 2021

Date: March 25, 2022

Management's Discussion and Analysis

The following management's discussion and analysis (MD&A) of the financial information of Pascal Biosciences Inc. (the "Company") and results of operations should be read in conjunction with the Company's audited consolidated financial statements for the year ended November 30, 2021. These documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 23, 2022. The information contained within this MD&A is current to March 25, 2022.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "believe," "expect," "plan," "may," "will," "could," "leading," "intend," estimate," or words of a similar nature are generally intended to identify forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's:

- expected future loss and accumulated deficit levels;
- projected financial position and estimated cash burn rate;
- expectations about the timing of achieving milestones and the cost of development programs;
- requirements for, and the ability to obtain future funding on favourable terms or at all;
- projections for the development of our core technologies, particularly with respect to the timely and successful completion of trials and availability of results from such studies and efficacy;
- expectations about its product's safety and efficacy;
- expectations regarding the progress and the successful and timely completion of the various stages of regulatory processes;
- ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- expectations regarding the acceptance of our products and technologies by the market;

- ability to retain and access appropriate staff, management and expert advisors; and

- expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by the Company or to the Company in respect of such arrangements.

All forward-looking statements reflect the Company's beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities.

By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "Risk Factors" in this MD&A. Some of these risks and assumptions include, among others:

• substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that the Company will continue to incur significant losses in the future;

• uncertainty as to the Company's ability to raise additional funding to support operations;

• the Company's ability to generate product revenue to maintain our operations without additional funding;

• the risks associated with the development of the Company's product candidates which are at early stages of development;

• reliance on third parties to plan, conduct and monitor our pre-clinical studies and clinical trials;

• the Company's product candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results;

• risks related to filing Investigational New Drug applications (INDs), to commence clinical trials and to continue clinical trials if approved;

• the risks of delays and inability to complete clinical trials due to difficulties involved in enrolling patients;

• competition from other biotechnology and pharmaceutical companies;

• the Company's reliance on the capabilities and experience of its key executives and scientists and the resulting loss of any of these individuals;

• the Company's ability to adequately protect trade secrets;

• the Company's ability to source and maintain licenses from third-party owners; and

• the risk of patent-related litigation.

Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, we cannot assure readers that actual results will be consistent with these forward-looking statements. Any forward-looking statements represent estimates only as of the date of this MD&A and should not be relied upon as representing estimates as of any subsequent date. The Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities legislation.

Overview

The Company was incorporated on January 28, 2011 pursuant to the Business Corporations Act (British Columbia). On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc. ("BAT"), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Pascal Biosciences US, Inc. ("Pascal (US)"). The Company is a Tier 2 Biotechnology Issuer targeting therapies for serious diseases. Pascal is developing treatments for cancer with targeted therapies for glioblastoma and acute lymphoblastic leukaemia. In addition, the Company is developing cannabinoid-based therapeutics for application to control cancer and COVID-19. Pascal's portfolio includes a small molecule therapeutic, PAS-403, that the Company is advancing into clinical trials for the treatment of glioblastoma, and PAS-393, an immune-stimulatory cannabinoid to be used in combination with checkpoint inhibitor therapy for cancer treatment. The Company trades on the TSXV Exchange under the trading symbol "PAS".

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Overall Performance

Research and Development

In March 2017, Pascal Biosciences (US), Inc. began operating a research lab in Seattle, Washington. The Company currently has six full-time employees: the CEO, the Chairman of the Board of Directors and four employees who conduct research and drug development.

To contribute to research efforts during the coronavirus pandemic, Pascal scientists searched for compounds, including cannabinoids, that have activity against SARS-CoV-2 in cell-based assays.

On July 14, 2020, the Company announced that it has discovered certain cannabinoids that block replication of SARS-CoV-2, the coronavirus that causes COVID-19. The best cannabinoid tested had potency similar to remdesivir, a recently approved drug from Gilead that decreases recovery time for COVID-19 patients.

On September 14, 2020, the Company and SōRSE Technology Corporation ("SōRSE") announced that they entered into a Collaborative Research Agreement (the "Agreement") to advance Pascal's PAS-393, an immune-stimulating cannabinoid for cancer treatment, into clinical testing. Under the Agreement, Pascal and SōRSE shared their respective technologies to optimize both the cannabinoid and its formulation, aiming ultimately to test PAS-393 in cancer patients treated with checkpoint inhibitors. This partnership leveraged SōRSE's industry-leading formulation technology with Pascal's proprietary cannabinoid molecule for testing in clinical trials. The Agreement was anchored by Pascal's intellectual property which covers the use of cannabinoids in cancer patients treated with checkpoint inhibitors. SōRSE provided US $650,000 in research funding to Pascal throughout the 15-month collaboration and paid for related research expenditures and the Company recorded an account receivable of $127,920 (US $100,000 for October and November 2021), which was applied against salaries.

On September 22, 2020, the Company confirmed that certain cannabinoids block SARS-CoV-2 replication in two different assays and subsequently demonstrated the effect in two additional in vitro models of infection. Pascal believes it is the first to identify a cannabinoid that directly inhibits replication of the virus, and has applied for patent protection for this unique discovery. The data suggest that a Pascal-identified cannabinoid may have the potential to limit the severity and progression of COVID-19.

On March 18, 2021, the Company was awarded a grant of US$321,406 from the National Cancer Institute of the US National Institutes of Health (NIH). This two-year award will fund development of Pascal's antibody drug for B cell Precursor Acute Lymphoblastic Leukaemia (ALL), which is the most common childhood leukaemia.

On September 7, 2021, the Company announced the appointment of Rob Gietl as Chief Executive Officer, President and Director. The Company granted 500,000 stock options exercisable at a price of $0.08, for a period of five years, vesting immediately on grant. The Company further issued 500,000 shares at a deemed price in lieu of cash for his services for September and October 2021.

Please refer to "Core Technologies" below for updates on the Company's research and development.

Share Capital

On December 18, 2020, the Company granted 400,000 stock options to directors and employees of the Company. The stock options are exercisable at a price of $0.15, for a period of five years and vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.35%, expected dividend rate of 0%; expected volatility of 94.21% and forfeiture rate of 0%. The fair value of the options was calculated at $42,621.

On February 8, 2021, the Company closed the first tranche of a private placement by issuing 5,600,000 Units for gross proceeds of $560,000. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.15 per share for a period of 24 months from the date of closing, subject to an acceleration clause, under which the Company may exercise once the Units are free of resale restrictions and if the Company's shares are trading at or above a volume weighted average price of $0.40 for 10 consecutive trading days. The Warrants will expire upon 30 days from the date the Company provides notice in writing to the Warrant holders via a news release. The Company paid $32,200 in finder's fees related to the closing of the first tranche.

On March 17, 2021, the Company closed the second tranche of a non-brokered private placement by issuing 1,900,000 Units at a price of $0.10 per Unit for gross proceeds of $190,000. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant") Each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.15 per share for a period of twenty-four months from the date of closing, subject to an acceleration clause, under the exercise acceleration clause, which the Company may exercise once the Units are free of resale restrictions and if the Company's shares are trading at or above a volume weighted average price of $0.40 for 10 consecutive trading days. The Warrants will expire upon 30 days from the date the Company provides notice in writing to the Warrant holders via a news release. The Company paid $1,365 in finder's fees and incurred cash share issuance costs of $12,487 related to the closing of the second tranche. The Company allocated $9,500 of the gross proceeds to warrants using the residual method.

On April 20, 2021, the Company granted an aggregate of 2,875,000 stock options to directors, employees and consultants, pursuant to the Company's stock option plan and subject to the policies of the TSX Venture Exchange. The stock options are exercisable at a price of $0.08 per share, exercisable for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.75%, expected dividend rate of 0%; expected volatility of 94.59% and forfeiture rate of 0%. The fair value of the options was calculated at $164,478.

On September 3, 2021, the Company granted 500,000 stock options to the Company's CEO. The stock options are exercisable at a price of $0.08 per share, exercisable for a period of five years and vest immediately on grant. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 0.98%, expected dividend rate of 0%; expected volatility of 95.83% and forfeiture rate of 0%. The fair value of the options was calculated at $31,082.

During the year ended November 30, 2021, 1,510,000 stock options, with a weighted average exercise price of $0.27 per share were expired, unexercised and $392,000 stock options with a weighted average exercise price of $0.72 per share were cancelled. As a result, the Company transferred $384,597 from share-based payment reserve to retained earnings.

Management

On March 22, 2021, the Company announced the resignation of a director of the Company, Dr. Karoly Nikolich and the appointment of Kevin Egan to the position of Chief Business Officer. Further, Judi Dalling retired as CFO as at April 30, 2021.

On June 16, 2021, the Company announced the appointment of Hardy Forzley as Chief Financial Officer of the Company.

On August 31, 2021, Mr. Mark van der Horst retired as Vice President, Corporate Communications, and Kevin Egan retired as Chief Business Officer.

On September 7, 2021, the Company announced the appointment of Rob Gietl as Chief Executive Officer, President and Director. Mr. Gietl takes over from Dr. Patrick Gray, who now is Chairman of the Board of Directors.

On February 8, 2022, the Company received a Notice of Civil Claim against the Company from a former officer of the Company for damages due to a breach of contract and wrongful termination. The claim against the Company is for 500,000 common shares of the Company to be issued to the former officer, punitive damages, interest and costs. The 500,000 common shares were issued subsequent to year end. No other amounts have been accrued in respect of this claim.

On February 28, 2022, the Company appointed Brian Bapty as its new Chief Executive Officer President and Director and granted him 500,000 stock options. The stock options are exercisable at a price of $0.08 per share, for a period of five years, vesting quarterly over one year.

In March 2022, the Company entered into agreements with non-arm's length parties and arm's length parties to settle debt of $474,812 by issuing 4,478,276 common shares of the Company at a deemed price of $0.08 per share and $30,000 in cash.

On March 16, 2022, the Company signed a term sheet with Shape Capital Pty Ltd. (Shape) of Melbourne, Victoria, an investment and advisory firm, which will provide a three-year, convertible note for $2,000,000. The note is non-interest bearing and is structured to advance to Pascal tranches of $55,000 per month which, at the option of the investors in the note, can be doubled to $110,000 on any given month.

With each drawdown Pascal will issue common shares to satisfy the note. The number of shares issued will be based on a Conversion Price equal to 90% of the average of five daily volume-weighted average prices (VWAPs), selected by the Investor, during the 22 trading days prior to the Conversion Notice. If that price is less than the Discounted Market Price, as defined by the TSX.V, the Conversion Price will be the Discounted Market Price. The Company is being charged an administration fee by Shape of $130,000 ($65,000 within 3-days of acceptance, and $65,000 at twelve months), and a commitment fee of $80,000. The $210,000 will be paid by the issue of 2,100,000 Shares at deemed price of $0.10 per Share. Investors will be issued 2,200,000 Share purchase warrants to acquire, for one year, one further Share. The term sheet is subject to TSX.V approval.

Financial Position

The audited consolidated statement of financial position as of November 30, 2021 indicates a cash position of $nil (2020: $nil). Current assets are comprised of prepaid expenses of $3,192 (2020: $10,598) and accounts receivable of $142,007 (2020: $83,802). Non-current assets at November 30, 2021 are comprised of computer and lab equipment of $9,989 (2020: $26,314).

Current liabilities at November 30, 2021 total $646,483 (2020: $473,053), comprised of bank indebtedness of $7,759 (2020: $16,909), accounts payable and accrued liabilities of $588,944 (November 30, 2020: $326,494) and short-term loan due to a related party of $49,780 (November 30, 2020: $129,650).

Shareholders' equity is comprised of share capital of $13,026,100 (2020: $12,331,652), shares to be issued of $46,000 (2020: $nil) and reserves of $712,851 (2020: $887,921). On February 8, 2021, the Company closed the first tranche of a non-brokered private placement for net proceeds of $527,800 by issuing 5,600,000 units. On March 17, 2021, the Company closed the second and last tranche of a non-brokered private placement for net proceeds of $176,148.

As at November 30, 2021, the Company had a working capital deficit of $501,284 (2020: $378,653).

The weighted average number of common shares outstanding, basic and diluted as at November 30, 2021 was 63,484,358 (November 30, 2020: 55,400,349).

Core Technologies

1. Cannabinoid-based therapeutic for glioblastoma: Glioblastoma is an aggressive type of cancer that arises in cells called astrocytes that support nerve cells. It can occur in the brain and spinal cord. It is a devastating cancer due to its high rate of recurrence, limited treatment options and aggressive nature. Glioblastoma strikes approximately 15,000 patients each year in North America and the median survival time is only 14 months. Therapies for glioblastoma are limited to surgery, radiation, and the chemotherapeutic drug temozolomide. Pascal's PAS-403 is a cannabinoid-derived molecule that kills patient-derived glioblastoma cells. PAS-403 is a mitotic inhibitor that blocks cell division. Several mitotic inhibitors already approved for cancer treatment show substantial benefit in reducing solid tumours when combined with other chemotherapeutic. However, unlike PAS-403, none of these drugs cross the blood-brain barrier and therefore have no activity on glioblastoma cells. PAS-403 kills cultured glioblastoma cells from patients and is very effective in a mouse model of glioblastoma. The alkylating drug, temozolomide, is currently licenced and used as a first line treatment for

glioblastoma. Since temozolomide has a different mechanism of action compared to PAS-403, the two drugs should synergize and will possibly provide a superior method of treatment. Pascal has developed a manufacturing process for PAS-403 and completed much of the preclinical pharmacology efforts required for filing an Investigational New Drug with the FDA.

2. VpreB antibody for the treatment of B cell precursor acute lymphoblastic leukaemia (ALL) and other leukaemias and lymphomas:
   ALL is the most common childhood cancer, with the incidence peaking at approximately two to five years of age. In addition, ALL affects some older individuals with approximately 45% of ALL patients above age twenty. On an annual basis, more than 6,500 people in North America and approximately 40 cases per 1,000,000 people worldwide, present with the disease. Current treatment practices utilize harsh chemotherapy regimens. While effective in many patients, the near and long-term consequences of chemotherapy can be disabling. Therefore, there is a need for new strategies to address relapsed disease and ultimately replace chemotherapy as a frontline treatment.

   ALL is caused by genetic lesions that arise during the earliest stages of B lymphocyte development. Pascal has derived and selected monoclonal antibodies against a unique target, the pre-B Cell Receptor ("Pre-BCR"), that is specifically expressed on the surface of these pre-B cells and not expressed during subsequent stages of B cell development. The pre-BCR is also present on ALL cells. Therefore, in addition to killing the leukaemia cells, Pascal's antibodies, directed against one of the components of the pre-BCR, VpreB, should only deplete the earliest stages of developing B cells, leaving more mature B cells available to combat infection by secretion of antibodies.

   Careful direct examination of large gene expression databases and exploration of the scientific literature revealed the unexpected expression of VpreB mRNA by tumour cells of subsets of acute myelogenous leukaemia (AML) and non-Hodgkin lymphoma ("NHL") patients. Experiments to screen cancer cells from large panels of these patients by immunocytochemistry using the VpreB antibody are planned. If the molecular data are confirmed at the protein level, a VpreB biomarker assay will be developed for identifying AML and NHL patients that may also benefit from VpreB antibody treatment.

3. Novel natural compounds that are able to increase antigen expression on the surface of tumour cells, making them more visible to the immune system. These molecules will be useful as cancer therapeutics by enabling increased killing of cancer cells by the immune system.

   Many cancer cells, including those that are metastatic, escape immune recognition and elimination after selection by immune editing whereby tumour antigens are not properly displayed on the cell surface and thus can not be properly recognized by the immune system. These escape variants do not express sufficient Major Histocompatibility Complex I ("MHC-I") molecules and their associated tumour antigen peptides at the cell surface. Thus, these tumour cells evade recognition by host immune surveillance mechanisms, making them resistant to most immunotherapeutic approaches for elimination of cancer. In February 2014, the Company entered into an agreement with the University of British Columbia ("UBC") whereby UBC conducted research to identify compounds that increase the expression of the Transporter of Antigen Processing ("TAP1") protein, a part of the antigen processing pathway, critical for MHC-I expression. Several compounds that restored the presentation of tumour antigens at the cancer cell surface were identified.By developing a high-throughput screening assay applied to extracts from deep-sea sponges, the Company identified several unique molecules that induce antigen presentation in metastatic prostate and lung carcinomas.

   From these extracts, new chemical structures that exhibit efficient restoration of MHC-I expression were identified. Subsequently, screening of additional extracts and purified compounds was performed, and several more active compounds were identified. One compound, curcuphenol, was initially identified as a leading candidate for immune upregulation.

   Searching the chemical structure of curcuphenol against large chemical databases revealed that some structural elements of curcuphenol are found in certain cannabinoids, compounds found in extracts of the Cannabis sativa plant. 400 cannabinoids were tested for their ability to induce MHC-I expression in human cancer cell lines. Several distinct cannabinoids registered positive in this assay, with the most potent inducing MHC-I expression levels to approximately half of the levels induced by interferon gamma, a natural powerful physiologic inducer of MHC-1. Specifically, Pascal has identified a natural cannabinoid with good potency and pharmacologic properties. Pascal intends to develop this cannabinoid, PAS-393, as a therapeutic compound that will render cancer cells more visible to immune surveillance. Such a molecule has the potential to increase cancer cell recognition, thus dramatically increasing the efficacy of checkpoint inhibitors (therapeutic monoclonal antibodies) which release the cancer killing effects of cytolytic T cells.

4. Cannabinoid therapeutic for treating COVID-19: The coronavirus pandemic has triggered a massive, worldwide effort to develop effective vaccines and treatments for COVID-19. Despite the previous global focus on cancer research and treatment, the tremendous disruption of entire economies and health care systems worldwide stimulated Pascal's scientists to direct efforts towards a cannabinoid-based treatment for COVID-19.

   The decision was made to test a variety of cannabinoids for effects on the SARS-CoV-2 coronavirus since previously published data suggest that some cannabinoids have anti-viral functions. In addition, it has been shown that cannabinoids can upregulate major histocompatibility complex Type 1 (MHC-I) molecules that are expressed on the surface of tumour cells. As has been demonstrated in several infection models, this MHC upregulation also helps the immune system identify virus-infected cells. It has been observed that cannabis extracts downregulate the expression of receptors for the SARS-CoV-2 virus. Furthermore, some cannabinoids have immunomodulatory activity that can mitigate the uncontrolled inflammatory response known as a "cytokine storm", which is often seen in the most severe COVID-19 patients.

   Since cannabinoids have the potential to limit the severity and progression of COVID-19, selected compounds were tested in a cell-based assay. It was found that one of Pascal's lead cannabinoids inhibits SARS-CoV-2 growth in primate cells in vitro. Pascal has since confirmed this SARS-CoV-2 anti-viral activity in four different laboratories, using different assay conditions and different strains of SARS-CoV-2. Significantly, the potency of the Pascal-selected cannabinoid in this assay was similar to that of remdesivir, a drug authorized by the FDA for emergency treatment of COVID-19. These initial observations illuminate the potential of cannabinoids for the treatment of COVID-19.

   Our initial results suggest that cannabinoids may act upon the virus or the virus-infected host cells cell to reduce virus infectivity or viral replication. However, it is likely that the scope of the benefit to the patient will extend far beyond the direct effect on the virus-cell interaction. The capacity of certain cannabinoids to restore cancer cell recognition by the immune system has been previously demonstrated. Many viruses, like certain cancers, render their host cells invisible to immune recognition to protect them from destruction and removal. Cannabinoids may reverse this effect. In addition, cannabinoids are known for their anti-inflammatory properties. Thus, they may benefit the patient, much like dexamethasone does, in the later phase of disease when run-away inflammation is one of the main causes of tissue injury and even death.

Patents

Intellectual property and other proprietary rights are essential to the Company's business. The Company has filed patent applications to protect technology, inventions and improvements of inventions that are important for the development of the business.

In January 2018, the Company filed a provisional patent application, "Cannabinoids and derivatives for promoting immunogenicity of tumour and other infected cells", covering cannabinoid-like compounds that restore immune recognition of cancer cells thus increasing their subsequent destruction. The non-provisional application was filed January 21, 2019 and the Company is continuing to pursue the application.

Pursuant to the terms of the license agreement with the University of Washington in October 2018, the Company has retained the patent portfolio surrounding development of a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. The patent "Composition and methods for treating glioblastoma" filed in August 2011 by the University of Washington was granted by the United States Patent and Trademark Office in May 2015 (US Patent Number: 9,034,895) with expiry in November 2031.

In August 2018, the University of Washington filed a provisional patent titled "Modified Carbazoles Destabilize Microtubules and Kill Glioblastoma Multiforme Cells and BRAF Mutant Cancers," covering the cannabinoid-based compounds for treatment of glioblastomas and brain metastases. In August 2019, the Company filed a non-provisional patent application for patent protection. The Company is continuing to pursue the application.

In July 2019, the Company filed a provisional patent titled "Composition and Methods of Targeting the Pre-B Cell Receptor for the Treatment of Leukaemias and Lymphomas. In July 2020, the Company filed a non-provisional application for patent protection and is continuing to pursue this application.

In July 2020, the Company filed a provisional patent titled: "Method of Treating Coronavirus Infections with Cannabinoids and Derivatives". In July 2021, the Company filed a non-provisional application for patent protection and is continuing to pursue this application.

Results of Operations

During the year ended November 30, 2021, the Company reported a net loss and comprehensive loss of $1,088,931 ($0.02 basic and diluted loss per share) compared to a net loss and comprehensive loss of $1,237,927 ($0.02 basic and diluted loss per share) for the year ended November 30, 2020.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years.

	Year Ended November 30, 2021	Year Ended November 30, 2020	Year Ended November 30, 2019
Total Revenues	$nil	$nil	$nil
Net Loss and Comprehensive Loss	$1,088,931	$1,237,927	$3,412,176
Net Loss per share, basic and diluted	$0.02	$0.02	$0.06
Total Assets	$155,188	$120,714	$455,481
Weighted Average Number of Shares Outstanding	63,484,358	55,400,349	52,647,396
Shareholders' Equity (Deficit)	(491,295)	(352,339)	$344,036

During the year ended November 30, 2021, the Company saw significant year over year decreases in consulting fees of $84,044, salaries and benefits of $399,930, and research and development of $82,702 (Please refer to Analysis of Quarterly Results below). Similarly, during the year ended November 30, 2020, the Company saw significant year over year decreases in research and development of $782,144, salaries and benefits of $757,591 and consulting fees of $196,567.

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight most recently completed quarters of operation prepared in accordance with IFRS and expressed in Canadian Dollars.

	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net and comprehensive (gain) loss	402,196	241,275	286,089	159,371	(4,899)	320,275	421,165	501,386
Basic and diluted Loss per share	(0.01)	(0.00)	(0.00)	0.00	0.00	0.01	0.01	0.01

Share-based payments impacts expenses and net and comprehensive loss as follows: Q4 2021: $25,446, Q3 2021: $102,602, Q2 2021: $70,826, Q1 2021: $1,153, Q4 2020: $1,460, Q3 2020: $1,831, Q2 2020: $3,962 and Q1 2020: $8,268. Losses during the most recent five quarters are significantly lower due mainly to reduced salaries and research and development expenses. During Q4 of 2021, the Company received US $50,000 from SōRSE and recorded a receivable of US $100,000, pursuant to the collaborative research agreement, and applied these funds against salary expense. The Company recorded a bad debt expense of $50,723 during Q4 2021. The Company also recognized a gain on debt settlement of $46,153 during Q4 2020.

The Company's significant accounting policies are set out in Note 3 of the audited annual consolidated financial statements as at and for the year ended November 30, 2021.

Analysis of Quarterly Results

	Notes	Three Months Ended November 30, 2021	Three Months Ended November 30, 2020	Year Ended November 30, 2021	Year Ended November 30, 2020
		$	$	$	$
Accounting and audit fees		47,967	30,000	68,978	36,354
Administrative and general office		15,898	8,288	71,293	52,537
Amortization		3,245	1,084	16,325	12,478
Bank charges and interest		908	3,896	5,585	6,676
Consulting fees	a)	67,296	33,405	132,348	216,392
Salaries and benefits	b)	81,169	(188,099)	291,607	691,537
Foreign exchange		4,921	11,429	2,284	7,092
Insurance		6,022	17,027	40,280	56,761
Investor relations and marketing	c)	69,081	3,967	108,947	12,967
Legal fees		9,571	5,406	16,522	4,481
Research and development	d)	12,645	115,629	57,775	140,477
Share-based payments	e)	25,446	1,460	200,027	15,521
Transfer agent, listing and filing fees		7,304	2,426	26,188	31,060
Travel and entertainment		-	122	49	163
Bad debt expense		50,723	-	50,723	-
Interest income		-	-	-	(416)
Gain on debt settlement		-	(46,153)	-	(46,153)

a) Consulting fees:
The decrease was mainly the result of fees paid to a director of the Company in relation to financial consulting during the year ended November 30, 2020 as compared to $nil during year ended November 30, 2021 and due to the resignation of Judi Dalling effective April 30, 2021.

b) Salaries and benefits:
During Fiscal 2021, the Company had four full-time employees and one part-time employee compared to Fiscal 2020, when it had six full-time employees.

c) Investor relations and marketing:
During the year ended November 30, 2021, the Company increased its investor relations activities due to the cash inflow from the proceeds of the private placement as compared to the year ended November 30, 2020, when cash flows were lower.

d) Research and development:
During the year ended November 30, 2021, research and development was reduced due to cash constraints.

e) Share-based payments:
The increase is due to 3,775,000 stock options being granted during the year ended November 30, 2021 as compared to nil stock option granted during the year ended November 30, 2020.

Liquidity & Capital Resources

The Company has financed its operations to date through the issuance of common shares.

	November 30, 2021	November 30, 2020
	$	$
Working capital	(501,284)	(378,653)
Deficit	14,276,246	13,571,912

During the year ended November 30, 2021, net cash used in operating activities was 614,928 (2020: $862,829), comprised of a loss of $1,088,931 (2020: $1,237,927) net of amortization expense of $16,325 (2020: $12,478), share-based payments of $200,027 (2020: $15,521), gain on settlement of debt of $nil (2020: $46,153), shares issued for services of $46,000 (2020: $nil), bad debt expense of $50,723 (2020: $nil), a decrease in prepaid expenses of $7,406 (2020: $16,933), an increase in accounts receivable of $108,928 (2020: $69,495), and an increase in accounts payable and accrued liabilities of $262,450 (2020: $445,814).

During the year ended November 30, 2021, cash from financing activities was $624,078 (2020: $471,069), comprised of shares issued for cash and proceeds from short-term loan less share issuance costs (refer to Share Capital above).

During the year ended November 30, 2021, the Company was awarded a grant of US$321,406 from the National Cancer Institute of the US National Institutes of Health (NIH), which will further augment the Company's cash position. This two-year award will fund development of Pascal's antibody drug for Acute Lymphoblastic Leukaemia (ALL), which is the most common childhood leukaemia. During the year ended November 30, 2021, the Company incurred US$38,418 (2020: $nil) in research and development expenditures against income of US$38,418 (2020: $nil) in funding from NIH.

Subsequent to November 30, 2021, the Company signed a term sheet with Shape of Melbourne, Victoria, an investment and advisory firm, which will provide a three-year, convertible note for $2,000,000. This will address the Company's liquidity issue and fund its operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

The following is a summary of related party transactions that occurred during the year ended November 30, 2021 and 2020.

Services provided by:		2021	2020
		$	$
Key management salaries/fees	a)	307,811	311,389
Director and officer salaries/fees	b)	417,284	554,233
Share-based payments		139,193	-
Benefits		120,799	123,704
		985,087	989,326

Related parties include:

a) Key management salaries include amounts paid to the CEO, former CEO and the CFO

b) Director and officer salaries include amounts paid to the Vice President of Research, the Vice President of Therapeutic Development and the Chief Business Officer.

Included in accounts payable and accrued liabilities is $233,820 (2020: $69,522) payable to directors and officers of the Company. Included in the above are loans to the Company by a director of the Company totalling $49,780 (US $34,318). The loan is unsecured, is due on demand and bears no interest.

At November 30, 2021 the Company has the commitment to issue 500,000 shares to the CEO per his employment agreement in lieu of two months' worth of salary.

Commitments

Commitments over the next five fiscal years are as follows:

a) Consulting agreement with Mo Mousa to provide bookkeeping services to Pascal (US) for an annual fee of USD $24,000. During the year ended November 30, 2021, this was increased to an annual fee of US $36,000.

The Company has also entered into the following agreements:

a) University of Washington: On October 9, 2018, the Company entered into an exclusive license agreement with the University of Washington ("UW") to develop a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. Under the terms of the agreement, the Company will pay annual fees (US Dollars) as follow:

October 9, 2020	$ 5,000 (paid)
October 9, 2021	$ 10,000
Every year thereafter until first sale	$ 25,000

Financial Instruments & Other Instruments

(a) Fair value

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at November 30, 2021 and 2020, the Company's financial instruments are comprised of bank indebtedness, receivables, and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for bank indebtedness, receivables, shortterm loan payable, and accounts payable and accrued liabilities approximate fair values due to the short-term maturities of these financial instruments.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of receivables. The Company limits its exposure to credit loss by having its receivables from an entity it has been in business with for a long time. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At November 30, 2021, the Company had cash and cash equivalents of $nil (2020: $nil) available to apply against short-term business requirements and current liabilities of $646,483 (2020: $473,053). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2021.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.

As at November 30, 2021 and 2020, the Company's net exposure to foreign currency risk is as follows:

US dollars	2021	2020
	$	$
Cash	(8,140)	(12,506)
Accounts receivable	100,000	-
Accounts payable	(265,944)	(112,555)
Short-term loan	(34,318)	(100,000)
Net exposure to foreign currency risk	(208,402)	(225,061)
Canadian dollar equivalent	(266,588)	(282,931)

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would have a material effect on the Company's net loss and comprehensive loss.

(e) Other price risk

Other price risk is the risk that 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.

Risks and Uncertainties

Overview

An investment in the Company's shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, shareholders should carefully consider, in addition to the other information contained in this management discussion and analysis, the following risk factors. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Competition

The market for the Company's technology is highly competitive. The Company competes with other research teams who are also examining potential therapeutics with regards to cancer, viral infection, and other disorders. Many of its competitors have greater financial and operational resources and more experience in research and development than the Company. These and other companies may have developed or could in the future develop new technologies that compete with the Company's technologies or even render its technologies obsolete.

Competition in the Company's markets is primarily driven by:

- timing of technological introductions;
- ability to develop, maintain and protect proprietary products and technologies; and
- expertise of research and development team.

Litigation to Protect Company's Intellectual Property

The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or future patent applications. Even if such patents are issued, there can be no assurance that any patents issued or licensed to the Company will not be challenged. The Company's ability to establish and maintain a competitive position may be achieved in part by prosecuting claims against others who it believes to be infringing its rights. In addition, enforcement of the Company's patents in foreign jurisdictions will depend on the legal procedures in those jurisdictions. Even if such claims are found to be invalid, the Company's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation. In addition, the Company's involvement in intellectual property litigation could result in significant expense, which could materially adversely affect the use responsibilities, whether or not such litigation is resolved in the Company's favour.

Clinical testing and Regulatory approval

Since the Company's success is dependent on the successful completion of a third party pre-clinical trials, regulatory approval and introduction of its technology into the market and since the Company has completed none of the tasks at this time, the Company does not know if it will be able to complete them.

The timing of these events can vary dramatically due to factors such as delays or failures in the Company's clinical trials and the uncertainties inherent in the regulatory approval process. The Company might not be able to obtain the necessary results from its pre-clinical trials or to gain regulatory approval necessary for licensing its technology. The Company's failure to achieve these objectives will mean that an investor will not be able to recoup their investment or to receive a profit on their investment.

Intellectual Property

The Company's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. The Company files patent applications in the United States, Canada, Europe, and selectively in other foreign countries as part of its strategy to protect its proprietary products and technologies. However, patents provide only limited protection of the Company's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. The Company cannot provide assurances that patents will be granted with respect to any of its pending patent applications, that the scope of any of its patents will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. The Company's current patents could be successfully challenged, invalidated or circumvented. This could result in the Company's patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that the Company considers significant could have a material adverse effect on its business. The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as the laws of Canada and the United States. The Company holds patents only in selected countries. Therefore, third parties may be able to replicate technologies covered by the Company's patents in countries in which it does not have patent protection.

Legal Proceedings

In the course of the Company's business, the Company may from time to time have access to confidential or proprietary information of third parties, and these parties could bring a claim against the Company asserting that it has misappropriated their technologies and had improperly incorporated such technologies into its products. Due to these factors, there remains a constant risk of intellectual property litigation affecting the Company's business. In the future, the Company may be made a party to litigation involving intellectual property matters and such actions, if determined adversely, could have a material adverse effect on the Company.

Dependence upon Management

Although the Company Issuer is expected to have experienced senior management and personnel, it will be substantially dependent upon the services of a few key personnel. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If it loses any of these persons, or is unable to attract and retain qualified personnel, its business, financial condition and results of operations may be materially and adversely affected.

Going Concern

The ability of the Company to continue as a going concern is dependent on its ability to generate future profitable operations and to obtain additional debt or equity financing. There can be no assurance that the Company's operations will achieve profitability in the future or that the the Company will be able to successfully obtain financing on commercially reasonable terms or at all.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the Company's research and development programs will be required. No assurances can be given that the the Company will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, or even cease its operations.

Reliance on Third Parties

The Company is relying on a third party to assist it in conducting both pre-clinical and clinical trials. If this third party does not successfully carry out their contractual duties or meet expected deadlines, the Company may not be able to obtain regulatory approval for or commercialize its technology.

Unproven market

The Company believes that there will be many different applications for its technologies and that the anticipated market for these technologies will continue to expand. However, no assurance can be given that these beliefs will be correct owing, in particular, to competition from existing technologies or new technologies and the yet to be established replication of the Company's pre-clinical results.

Limited Operating History

The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future.

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including research and development companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The Business Corporations Act, (British Columbia) ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Market risk

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Global Uncertainty

The Company's business could be adversely affected by the effects of health epidemics and pandemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, COVID-19 has spread globally, to include Canada, the United States, several European countries, Asia, Australia and New Zealand and Africa. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses.

The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic has resulted in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Company's business and the value of the Company's common shares.

The continued spread of COVID-19 globally could also adversely affect the Company's planned clinical trial operations, including its ability to initiate the trials on the expected timelines and recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 if an outbreak occurs in their geographic areas. Further, the COVID-19 outbreak could result in delays in clinical trials due to prioritization of hospital resources toward the outbreak, restrictions in travel, potential unwillingness of patients to enrol in trials at this time, or the

inability of patients to comply with clinical trial protocols if quarantines or travel restrictions impede patient movement or interrupt healthcare services. In addition, the Company relies on independent clinical investigators, contract research organizations and other third-party service providers to assist in managing, monitoring and otherwise carrying out preclinical studies and clinical trials, and the outbreak may affect their ability to devote sufficient time and resources to the Company's programs or to travel to sites to perform work for us.

The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Other MD&A requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the consolidated financial statements for the years ended November 30, 2021 and 2020.

Outstanding share data

Common shares issued and outstanding as at November 30, 2021 are described in detail in Note 6 to the audited consolidated financial statements for the years ended November 30, 2021 and 2020.

As at the date of this document March 25, 2022, the Company had the following number of securities outstanding:

Number of shares Issued and outstanding	$	Number of options	Exercise price	Expiry date
65,594,769	13,072,100			
		35,000	$0.33	April 30, 2022
		100,000	$0.35	April 30, 2022
		198,000	$0.20	May 28, 2022
		505,000	$0.33	June 27, 2022
		100,000	$0.29	January 28, 2023
		800,000	$0.35	August 2, 2023
		400,000	$0.15	December 18, 2025
		2,375,000	$0.08	April 20, 2026
		500,000	$0.08	September 3, 2026
		500,000	$0.08	February 28, 2027
		Number of share purchase warrants		
		5,600,000	$0.15	February 8, 2023
		1,900,000	$0.15	March 17, 2023

Schedule E

Audited carved out income statement of SoRSE Technology Corporation for the three years ended December 31, 2022, December 31, 2021, and December 31, 2020

Sorse Technology Corporation

Carveout Income Statements
For the years ended December 31, 2022, 2021 and 2020

Green Growth CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
SoRSE Technology Inc.

Opinion

We have audited the carveout income statements for the years as at December 31, 2022, 2021 and 2020 of THC Essentials, a business unit of Sorse Technology Corporation (the Company) and related notes to the carveout income statements (together the "financial statements").

In our opinion, the carveout income statements for the years as at December 31, 2022, 2021 and 2020 of the Company presents fairly, in all material respects, its operations for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the schedule 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1, which describes the basis of preparation. The financial statements are prepared to assist the Company to meet the requirements of the Canadian Securities Exchange. As a result, the financial statements may not be suitable for another purpose. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Emphasis of Matter section, we have determined there are no key audit matters to be communicated in our report.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Canadian generally accepted auditing standards 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 this schedule.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the schedule 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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.

GreenGrowthCPAs

June 30, 2023

Marko Glisic
GreenGrowth CPAs
10250 Constellation Blvd.
Los Angeles, CA 90067

Sorse Technology Corporation
Carveout Income Statement
(Expressed in USD)

	12/31/2022	12/31/2021
Revenue	$ 1,554,263	$ 1,696,423
Cost of Goods Sold	420,457	923,128
Gross Margin	**1,133,806**	**773,295**
Personnel Expenses	388,666	212,661
Rent & Facilities Expenses	11,265	8,322
Marketing Expenses	204,423	190,034
Travel & Entertainment Expenses	194,393	107,714
SG&A Expenses	99,638	62,117
Total Expenses	**898,387**	**580,848**
Net Income	**$ 235,420**	**$ 192,447**

Sorse Technology Corporation
Carveout Income Statement
(Expressed in USD)

	12/31/2021	12/31/2020
Revenue	$ 1,696,423	$ 238,391
Cost of Goods Sold	923,128	273,167
Gross Margin	**773,295**	**(34,776)**
Personnel Expenses	212,661	28,764
Rent & Facilities Expenses	8,322	-
Marketing Expenses	190,034	30,655
Travel & Entertainment Expenses	107,714	-
SG&A Expenses	62,117	67,405
Total Expenses	**580,848**	**126,825**
Net Income / (Loss)	**$ 192,447**	**$ (161,600)**

Notes to Carveout Income Statements for THC Essentials

1. NATURE OF OPERATIONS

Sorse Technology Corporation (the "Company") was incorporated on August 10, 2017 under the General Corporation Law of the State of Delaware, in the United States of America. The corporate headquarters of the Company is located at 401 Queen Anne Ave N, Seattle, WA 98119. As a minor component of its overall business, the Company has developed multiple formulas, and registered multiple trademarks for branded consumer beverages which incorporate cannabis as a key functional ingredient (the "Products"). However, the Company does not manufacture or distribute the Products; the Company has negotiated license and manufacturing agreements with multiple business partners in different states with the USA (each a "Manufacturing Partner"). The Company provides the branding collateral, trademark licenses, and formulas to these Manufacturing Partners who are responsible for the actual production and distribution of the Products. In return for licensing the trademarks and formulas to the Manufacturing Partners, each of them pays a royalty or licensing fee to the Company. These licensing fees are typically structured as either a set dollar amount per unit produced, or a percentage of the net sales of the Products at wholesale prices. The business line described above is commonly referred to as "THC Essentials" by the Company and it is this specific business unit, and no other part of the Company, that constitutes the basis for the Carveout Income Statements contained herein.

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION

(a) *Statement of Compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These carveout financial statements were authorized for issue by the Board of Directors on April 10, 2023.

(b) *Basis of Measurement*

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the carve out financial statements.

(c) *Functional and Presentation Currency*

These consolidated financial statements are presented in United States dollars, which is the functional currency of the Company.

Notes to Carveout Income Statements for THC Essentials (Cont.)

3. REVENUE

Revenue consists of licensing fees, royalty fees, and the sale of product packaging, including bottles, caps, and labels. The Company recognizes revenue in accordance with IFRS 15, "Revenue from Contracts with Customers" and it is measured based on the consideration the Company expects to be entitled to in exchange for licensing its trademarks and other intellectual property, as well as for physical product packaging. The five steps to the new revenue recognition approach are the following:

1) Identify the contract with the customer;
2) Identify the performance obligations;
3) Determine the transaction price;
4) Allocate the transaction price based on the performance obligations; and
5) Recognize revenue based on the performance obligations.

Revenue comprises the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of any discounts and applicable excise taxes. Revenue is recognized upon the satisfaction of the performance obligation. For the sale of product packaging, the Company satisfies its performance obligation and transfers control upon either the delivery of the packaging to the customer, or at the time that the customer consumes the packaging in the course of manufacturing finished goods at their location. For the licensing and royalty payments, the Company satisfies its performance obligation at the time that the customer utilizes the Company's licensed trademarks in the production and sale of finished goods. Payment is typically due within 30 days of the invoice date.

4. CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable.

5. PURCHASE TRANSACTION

Pursuant to the Purchase Agreement, Pascal agreed to purchase a limited selection of assets from the Company, all of which are directly related to the Company's business unit known internally as THC Essentials. The assets being purchased include inventory, equipment, customer contracts, and trademarks. No other assets of the Company, and none of the liabilities of the Company are being acquired by Pascal pursuant to the Purchase Agreement. Inventory consists of packaging materials, raw ingredients and other unfinished goods. There are no finished goods held in inventory. Raw ingredients held in inventory do not consist of any hemp or cannabis related materials.

Notes to Carveout Income Statements for THC Essentials (Cont.)

5. PURCHASE TRANSACTION (Cont.)

The Purchase Agreement describes the consideration to be paid for the assets as follows:

a) a secured promissory note in the principal amount of US$500,000 and bearing interest at 7.5% per annum;

b) an aggregate of the greater of (i) 3,775,000 post consolidation shares and (ii) 9.9% of the number of post-consolidation shares Buyer has issued and outstanding on the listing date; and

c) a cash payment at closing in the amount of US$625,000.

Schedule F

Audited carved out statement of assets being acquired of SoRSE Technology Corporation for the three years ended June 30, 2023, 2022 and 2021.

Sorse Technology Corporation

Statement of Assets Being Acquired
As at June 30, 2023.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
SoRSE Technology Inc.

Opinion

We have audited the statement of acquired assets of THC Essentials, a business unit of Sorse Technology Corporation (the Company) as at June 30, 2023 and related notes to the financial statements (together the "financial statements").

In our opinion, the statement of acquired assets of the Company as at June 30, 2023 presents fairly, in all material respects, the financial position as at June 30, 2023 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the schedule 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1, which describes the basis of preparation. The financial statements are prepared to assist the Company to meet the requirements of the Canadian Securities Exchange. As a result, the financial statements may not be suitable for another purpose. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Emphasis of Matter section, we have determined there are no key audit matters to be communicated in our report.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Canadian generally accepted auditing standards 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 this schedule.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the schedule 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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.

GreenGrowthCPAs

June 30, 2023

Marko Glisic
GreenGrowth CPAs
10250 Constellation Blvd.
Los Angeles, CA 90067

Sorse Technology Corporation
Audited Carveout Statement of Acquired Assets of THC Essentials as at June 30, 2023
(Expressed in USD)

Assets	**06/30/2023**
Current Assets	
Inventory	$ 167,794
	167,794
Non-current assets	
Equipment	16,001
Trademarks	978,955
	994,956
TOTAL ASSETS	**$ 1,162,750**

Notes to the Audited Statement of Acquied Assets of THC Essentials

As of June 30, 2023

1. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION

The statement of assets being acquired as of June 30, 2023 from Sorse Technology Corporation (the "Company") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and specifically in accordance with IFRS 3. The value assigned to the assets acquired and liabilities assumed in the transaction are based upon the relative fair value. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The statement of assets and liabilities being acquired is presented in United States dollars, which is the functional currency of the Company.

2. INVENTORY

Inventory consists of packaging materials, raw ingredients, and other unfinished goods. There are no finished goods held in inventory. Raw ingredients held in inventory do not consist of any hemp or cannabis related materials. As a matter of course, Sorse typically values inventory at cost and is subsequently recorded as "cost of goods sold" on the statements of income in the same period of the recognition of revenue associated with those inventory items.

3. EQUIPMENT

As a matter of course, Sorse typically values equipment at cost, net of accumulated depreciation and any impairment losses, if applicable. The Company uses a five-year straight line depreciation schedule for all equipment, unless a specific piece of equipment warrants a different useful life calculation. Equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit or loss in the period the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date, and adjusted prospectively, if appropriate.

4. CONTRACTS & TRADEMARKS

The customer contracts that will be assigned to Pascal Biosciences, Inc. ("Pascal") as delineated in the Asset Purchase Agreement, dated February 11, 2023 (the "Purchase Agreement"), are valued based on management's best estimates of the inherent fair value of those contracts, using management's judgement in conformity with IFRS. Management utilized the following methodology to estimate this value:

Notes to the Audited Statement of Acquired Assets of THC Essentials

As of June 30, 2023 (Cont.)

4. CONTRACTS & TRADEMARKS (Cont.)

1. Management first estimated the consideration in the Purchase Agreement to be $1,162,750 using a combination of the cash to be delivered at closing, plus the cash to be delivered as part of the promissory note, plus an estimate of the value of the equity consideration which was calculated using the approximate number of shares expected to be granted to Sorse at closing, multiplied by the most recent public stock price of Pascal. The fair market value of the equity consideration was calculated based on 3,775,000 shares of Pascal stock multiplied by the $0.10 price per share that Pascal is currently conducting a private placement for.

2. From this figure, management deducted the book value of all of the other assets, other than trademarks and contracts, listed in the Purchase Agreement that are being acquired by Pascal.

3. Through this method of deduction, the remaining amount of $978,955 was determined to be the value of the trademarks and contracts.

5. PURCHASE TRANSACTION

Pursuant to the Purchase Agreement, Pascal agreed to purchase a limited selection of assets from the Company, all of which are directly related to the Company's business unit known internally as THC Essentials. The assets being purchased include inventory, equipment, customer contracts, and trademarks. No other assets of the Company, and none of the liabilities of the Company are being acquired by Pascal pursuant to the Purchase Agreement. Inventory consists of packaging materials, raw ingredients and other unfinished goods. There are no finished goods held in inventory. Raw ingredients held in inventory do not consist of any hemp or cannabis related materials.

The Purchase Agreement describes the consideration to be paid for the assets as follows:

a) a secured promissory note in the principal amount of US$500,000 and bearing interest at 7.5% per annum;

b) an aggregate of the greater of (i) 3,775,000 post consolidation shares and (ii) 9.9% of the number of post-consolidation shares Buyer has issued and outstanding on the listing date; and

c) a cash payment at closing in the amount of US$625,000.

Schedule G

Pro-forma financial statements for the year ended November 30, 2022
0f Nevis Brands Inc. (formerly Pascal Biosciences Inc.)

NEVIS BRANDS INC.
Pro-Forma Consolidated Financial Statements
For the Year Ended November 30, 2022

(Unaudited - Expressed in Canadian Dollars)

Index

NOTICE OF NO AUDITOR REVIEW OF PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, released by the Canadian Securities Administrators, the Company discloses that its independent auditors have not reviewed the pro-forma consolidated financial statements for the year ended November 30, 2022.

Nevis Brands Inc.

Pro-Forma Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at November 30:

	Pascal Biosciences Inc. November 30, 2022	Notes	Pro-forma Adjustments	Pro-forma Consolidated 2022
ASSETS	$		$	$
Current				
Cash	8,370	2(a)	1,860,000	1,136,057
		2(b)	(5,000)	
		2(c)	(201,067)	
		2(d)	(844,250)	
		2(e)	318,004	
Prepaid expenses	3,245		-	3,245
Receivables	7,208		-	7,208
Inventory	-	2(d)	268,951	268,951
Total current assets	18,823		1,396,638	1,415,461
Equipment	-	2(d)	26,260	26,260
THC Trademarks	-	2(d)	1,601,939	1,601,939
Total assets	18,823		3,024,837	3,043,660
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	626,586	2(b)	(373,432)	163,812
		2(c)	(89,342)	
Short-term loan payable	224,617	2(b)	(224,617)	-
Promissory note payable	-	2(d)	675,400	675,400
Total current liabilities	851,203		(11,991)	839,212
Accounts payable	111,725	2(c)	(111,725)	-
Total liabilities	962,928		(123,716)	839,212
SHAREHOLDERS' DEFICIENCY				
Equity attributable to shareholders				
Share capital	13,052,100	2(a)	1,860,000	15,912,786
		2(b)	623,186	
		2(d)	377,500	
Reserves	424,152		-	424,152
Deficit	(14,420,357)	2(b)	(30,137)	(14,132,490)
		2(e)	318,004	
Total shareholders' deficiency	(944,105)		3,148,553	2,204,448
Total liabilities and shareholders' deficiency	18,823		3,024,837	3,043,660

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

Nevis Brands Inc.

Pro-Forma Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited - Expressed in Canadian Dollars)

For the year ended November 30, 2022

	Pascal Biosciences Inc. For the Year Ended November 30, 2022	Notes	Pro-forma Adjustments	Pro-forma Consolidated 2022
Revenues				
Revenues	-	2(e)	2,099,499	2,099,499
Cost of goods sold	-	2(e)	(567,954)	(567,954)
Gross Profit	-	2(e)	1,531,545	1,531,545
General and administrative expenses				
Accounting and audit fees	93,659		-	93,659
Administrative and general office	38,459	2(e)	134,592	173,051
Amortization	8,294		-	8,294
Bank charges and interest	3,901		-	3,901
Consulting fees	3,306		-	3,306
Salaries and benefits	232,821	2(e)	525,011	757,832
Foreign exchange loss	25,698		-	25,698
Insurance	19,848		-	19,848
Investor relations and marketing	(4,683)		-	(4,683)
Legal fees	19,673		-	19,673
Research and development	(48,628)		-	(48,628)
Marketing	-	2(e)	276,135	276,135
Rent	-	2(e)	15,217	15,217
Share-based payments	47,470		-	47,470
Transfer agent, listing and filing fees	17,937		-	17,937
Travel and entertainment	(754)	2(e)	262,586	261,832
Total general and administrative expenses	(457,001)		(1,213,541)	(1,670,542)
Other Income				
Bad debt expense	(129,477)		-	(129,477)
Interest income	1,402		-	1,402
Gain on sale of equipment	7,281		-	7,281
Gan on debt settlement	97,515	2(b)	(30,137)	67,378
Net income (loss) and comprehensive income (loss) for the year	(480,280)		287,867	(192,413)

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

1. BASIS OF PRESENTATION

The unaudited pro-forma consolidated financial statements of Nevis Brands Inc. (the "Company") have been prepared by its management based on financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards, as issued by the International Accounting Standards Board ("IASB") to give effect to the proposed Transaction. On February 11, 2023, the Company signed an asset purchase agreement (the "Agreement") with SōRSE to acquire from SōRSE the assets comprising THC Essentials. The purchase price of US$1,125,000 will be paid as follows: (i) a secured promissory note of US$500,000, bearing interest at 7.5% per annum payable 13 months from the closing date, (ii) an aggregate of the greater of 3,555,000 post-consolidation shares and 9.9% of the number of post-consolidation shares Pascal has issued and outstanding on the listing date, and (iii) US$625,000 payable at the closing of the transaction. The Company will sign a promissory note and a security agreement which secures the Company assets until the US$500,000 plus interest of 7.5% is paid. The closing of the transaction is conditional of the Company listing on the CSE. On March 31, 2023, the Agreement was amended, to specify that 3,775,000 consolidated shares are to be issued as part of the consideration for the THC assets.

It is management's opinion that the pro-forma consolidated financial statements include all adjustments necessary for fair presentation, in all material respects, of the transactions described in Note 2 and are in accordance with IFRS.

The unaudited pro-forma consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the years ended November 30, 2022 and 2021.

The unaudited pro-forma consolidated balance sheet and unaudited pro-forma consolidated statements of (loss) income give effect to the Transaction as if it had occurred on December 1, 2021. The unaudited pro-forma consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the resulting entities' financial position or operating results that would have occurred if the Transaction had been in effect at the dates indicated. Actual amounts recorded upon consummation of the Transaction will likely differ from those recorded in the unaudited pro-forma consolidated financial statements.

2. PRO-FORMA TRANSACTION AND ADJUSTMENTS

The pro-forma consolidated financial statements reflect the following assumptions and adjustments:

(a) The Company plans to raise 2,000,000 to fund the purchase of the assets comprising THC Essentials. The company expects to incur 7% cash share issue costs.

(b) On November 30, 2022, the Company entered into agreements with non-arm's length parties stating that Company will issue 1,204,245 common shares of the Company and $5,000 in cash to settle debt of $195,840. On December 30, 2022, the Company entered into an agreement with a non-arm's length party to settle debt of $402,209 by issuing 5,027,613 common shares of the Company. The common shares have been valued at $0.10 per share, concurrent with the private placement being issued at the listing date. These pro-forma consolidated financial statements assume the shares for debt have been issued and the debt has been settled, resulting in a loss on debt settlement of $30,137. The $30,137 loss is calculated as follows:

(Unaudited - Expressed in Canadian Dollars)

	Debt outstanding at Nov 30, 2022	Debt settled with cash	# of shares issued	Value of shares	Forgiveness of debt
Larry Tjoelker	56,340	-	704,245	70,425	(14,085)
Patrick Gray	402,209	-	5,027,613	502,761	(100,552)
Brian Bapty	139,500	5,000	500,000	50,000	84,500
	598,049	5,000	6,231,858	623,186	(30,137)

(c) On November 30, 2022, the Company entered into agreements with arm's length and non-arm's length parties stating that Company will repay existing debt with cash over a period of up to 18 months, once the proposed transaction completes. These pro-forma consolidated financial statements assume the debt has been settled.

(d) Per the Agreement with SōRSE to acquire from SōRSE the assets comprising THC Essentials, the purchase price of US$1,125,000 will be paid as follows: (i) a secured promissory note of US$500,000, bearing interest at 7.5% per annum payable 13 months from the closing date, (ii) an aggregate of the greater of 3,555,000 post-consolidation shares and 9.9% of the number of post-consolidation shares Pascal has issued and outstanding on the listing date, and (iii) US$625,000 payable at the closing of the transaction. On March 31, 2023, the Agreement was amended, to specify that 3,775,000 consolidated shares are to be issued as part of the consideration for the THC assets. The total purchase consideration will be $1,897,150, which is the total Canadian value of the US$625,000 cash payment, US$500,000 promissory note and the estimated fair value of the 3,775,000 common shares to be issued, using a conversion rate of 1 USD = 1.3508 CAD as shown below.

	USD	CAD
	$	$
Cash Component	625,000	844,250
Promissory Note	500,000	675,400
Shares – 377,500 shares at $0.10/share	279,464	377,500
	1,404,464	1,897,150

Upon completion of the acquisition, the fair value of all identifiable assets acquired will be determined. The preliminary purchase price allocation is summarized as follows:

	$
Inventory	268,951
Equipment	26,260
Trademarks	1,601,939
	1,897,150

(e) For purposes of these pro-forma consolidated financial statements, the actual 2022 revenues, cost of goods sold and expenses of THC Essentials and Pascal Biosciences have been used. THC Essential's figures have been translated using a conversion rate of 1 USD = 1.3508 CAD.

(Unaudited - Expressed in Canadian Dollars)

(f) At November 30, 2022, the shares outstanding are as follows:

Balance, November 30, 2022, pre – transaction with SōRSE	65,594,769
Shares post 5:1 share consolidation	13,118,954
Shares issued for cash	20,000,000
Shares issued for debt	1,246,372
Shares issued for acquisition of THC Essentials assets	3,775,000
Balance, November 30, 2022, post – transaction with SōRSE	38,140,326

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Nevis Brands Inc. hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true, and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, B.C.

This 30th day of June 2023.

"John Kueber"	"Harold Forzley"
Chief Executive Officer - John Kueber	Chief Financial Officer - Harold Forzley
"Vahan Ajamian"	"Patrick Gray"
Vahan Ajamian - Director	Patrick Gray – Director
"John Kueber"	"Patrick Gray"
Promoter - John Kueber	Promoter - Patrick Gray

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