NEVIS BRANDS INC. (FORMERLY PASCAL BIOSCIENCES INC.)
Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended August 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 condensed interim consolidated financial statements for the three and nine months ended August 31, 2023 and 2022.

Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	August 31, 2023	November 30, 2022
ASSETS		$	$
Current			
Cash		575,144	8,370
Prepaid expenses and deposits		25,950	3,245
Receivables		169,321	7,208
Inventory		258,787	-
Total current assets		1,029,202	18,823
Equipment	6	30,057	-
Trademarks	7	1,603,417	-
Total assets		2,662,676	18,823
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	324,685	626,586
Short-term loans payable	10	102,105	224,617
Promissory note	5	670,506	-
Total current liabilities		1,097,296	851,203
Accounts payable		-	111,725
Total liabilities		1,097,296	962,928
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Equity attributable to shareholders			
Share capital	8	14,921,723	13,052,100
Reserves	8	963,364	424,152
Deficit		(14,363,058)	(14,420,357)
Other comprehensive income		43,351	-
Total shareholders' equity (deficiency)		1,565,380	(944,105)
Total liabilities and shareholders' equity (deficiency)		2,662,676	18,823

Approved on behalf of the Board:

"Patrick W. Gray" — Director

"John Bell" — Director

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

Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited - Expressed in Canadian Dollars)

	Notes	For the Three Months Ended August 31, 2023	For the Three Months Ended August 31, 2022	For the Nine Months Ended August 31, 2023	For the Nine Months Ended August 31, 2022
		$	$	$	$
Sales revenue		275,669	-	275,669	-
Cost of goods sold		(144,381)	-	(144,381)	-
Gross profit		131,288	-	131,288	-
Accounting and audit fees		(640)	(11,392)	(58,387)	(48,940)
Administrative and general office		(40,887)	(9,689)	(45,729)	(36,647)
Amortization		(28,778)	(563)	(28,778)	(6,020)
Bank charges and interest		(1,066)	(711)	(2,838)	(3,074)
Consulting fees	10	(14,909)	(110)	(33,511)	(2,990)
Salaries and benefits	4, 10	(124,594)	(48,370)	(124,594)	(209,793)
Foreign exchange gain (loss)		7,062	(13,088)	1,885	(9,735)
Insurance		(4,239)	(5,041)	(4,951)	(14,861)
Investor relations and marketing		(17,632)	(341)	(26,073)	4,742
Legal fees		30,297	-	(52,056)	(14,858)
Research and development	4	157	5,892	(40,091)	33,075
Share-based payments	8, 10	(404,845)	(7,816)	(406,619)	(43,296)
Transfer agent, listing and filing fees		814	(3,501)	(18,271)	(15,123)
Travel and entertainment		(4,747)	-	(4,747)	741
Loss from operations		(472,719)	(94,730)	(713,472)	(366,779)
Other Income and expenses					
Interest income		-	-	-	1,402
Interest expense	5	(8,507)	-	(8,507)	-
Other income		(17,643)	-	-	-
Gain on sale of equipment		(35)	-	7,231	-
Gain on debt settlement	8, 10	509,564	-	509,564	86,550
Net income (loss) and comprehensive income (loss) for the period		10,660	(94,730)	(205,184)	(278,827)
Earnings / (Loss) per share, basic and diluted		0.00	(0.01)	(0.01)	(0.02)
Weighted average common shares outstanding – basic and diluted[1]		29,667,814	13,118,955	18,675,506	13,106,180

[1]Post 5:1 share consolidation

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

Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)
Condensed Interim Consolidated Statements in Shareholders' Equity (Deficiency)
(Unaudited - Expressed in Canadian Dollars)

	Common Shares						Total
	Number of Shares[1]	Amount	Shares to be Issued	Option Reserve	Other comprehensive Income	Deficit	Shareholders' Equity (Deficiency)
		$	$	$	$	$	$
Balance, November 30, 2021	13,018,955	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	100,000	46,000	(46,000)	-	-	-	-
Share-based payments	-	-	-	43,296	-	-	43,296
Fair value transfer on expiry of options	-	-	-	(336,169)	-	336,169	-
Net loss for the period	-	-	-	-	-	(278,827)	(278,827)
Balance, August 31, 2022	13,118,955	13,052,100	-	419,978	-	(14,218,904)	(746,826)
Share-based payments	-	-	-	4,174	-	-	4,174
Net loss for the period	-	-	-	-	-	(201,453)	(201,453)
Balance, November 30, 2022	13,118,955	13,052,100	-	424,152	-	(14,420,357)	(944,105)
Shares issued for cash	20,000,000	1,604,924	-	395,076	-	-	2,000,000
Share issuance costs	-	(111,904)	-	-	-	-	(111,904)
Shares issued for acquisition of THC Essentials assets	3,775,000	283,125	-	-	-	-	283,125
Shares issued for debt	1,246,372	93,478	-	-	-	-	93,478
Share-based payments	-	-	-	406,619	-	-	406,619
Fair value transfer on expiry of options	-	-	-	(252,983)	-	252,983	-
Fair value transfer on expiry of warrants	-	-	-	(9,500)	-	9,500	-
Net loss for the period	-	-	-	-	43,351	(205,184)	(161,833)
Balance, August 31, 2023	**38,140,327**	**14,921,723**	**-**	**963,364**	**43,351**	**(14,363,058)**	**1,565,380**

[1]Post 5:1 share consolidation

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

Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

For the nine months ended August 31:	2023	2022
	$	$
Cash provided by (used in):		
Operating activities:		
Net loss for the period	(205,184)	(278,827)
Items not involving cash:		
Amortization	28,778	6,020
Share-based payments	406,619	43,296
Gain on debt settlement	(509,564)	(86,550)
Gain on sale of equipment	(7,231)	-
Interest expense	8,506	-
Changes in non-cash working capital:		
Prepaid expenses	(22,705)	(6,339)
Receivables	(162,113)	4,763
Accounts payable and accrued liabilities	189,416	195,795
	(273,478)	(121,842)
Investing activity:		
Proceeds from sale of equipment	7,231	634
Proceeds of sale of inventory	14,669	-
Purchase of equipment	(5,144)	-
Acquisition of THC Essentials Asset	(949,821)	-
	(933,065)	634
Financing activities:		
Proceeds from (repayment of) short-term loan	(122,512)	165,874
Shares issued for cash	2,000,000	-
Share issuance costs	(111,904)	(20,000)
	1,765,584	145,874
Net change in cash	559,041	24,666
Effect of exchange rate changes on cash	7,733	-
Cash, beginning of period	8,370	(7,759)
Cash, end of period	575,144	16,907
Supplemental cash flow information:		
Shares issued for services applied to accounts payable	-	-
Shares issued for services applied to share capital	-	(46,000)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevis Brands Inc. (formerly 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 Nevis Brands, Inc. USA (formerly Pascal Biosciences US, Inc.) ("Nevis (US)"). On June 12, 2023, the Company changed its name from Pascal Biosciences Inc. to Nevis Brands Inc. (Note 5). On July 6, 2023, the Company de-listed from the TSX Venture Exchange and listed on the Canadian Securities Exchange ("CSE") upon receiving approval under the trading symbol "NEVI". On August 14, 2023, the Company became listed on the Frankfurt Stock Exchange under the trading symbol "8DZ".

The Company's head office is 1900 Airport Way S, Suite 201, Seattle, WA 98134.

These condensed interim 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 August 31, 2023, the Company has a working capital deficiency of $68,094 (November 30, 2022: $832,380) and reported a net loss of $205,184 (2022: $278,827). 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.

During the nine months ended August 31, 2023, 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.

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim 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 condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 20, 2023.

(b) Basis of measurement

These condensed interim 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 condensed interim 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 in the Company's annual consolidated financial statements as at and for the year ended November 30, 2022.

(c) Functional and presentation currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its Canadian subsidiary is the Canadian dollar ("CAD"). The functional currency of Nevis (US) was the CAD, however, subsequent to the transaction with SōRSE (Note 5), the functional currency of Nevis (US) was determined to be the United States dollar ("USD"). The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than CAD are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities in foreign currencies are translated at historical rates. Revenues and expenses are translated at the average exchange rates approximating those in effect during the reporting period.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's USD operations are translated into CAD at the exchange rate at the reporting date. The income and expenses are translated using average rate. Foreign currency differences that arise on translation for consolidation purposes are recognized in other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with the International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IIFRIC"). The accounting policies and methods of computation applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements as at and for the year ended November 30, 2022, except as described below.

Pursuant to the acquisition of the THC Essentials assets, the Company adopted the following accounting policies:

(a) 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. The Company values inventory at cost and is subsequently recorded as "cost of goods sold" on the statement of Income (Loss) and Comprehensive Income (Loss) in the same period of the recognition of revenue associated with those inventory items.

(b) Equipment

The Company 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

(c) Trademarks

The customer contracts that were assigned to the Company as delineated in the Agreement dated February 11, 2023, 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:

1. Management first estimated the consideration in the Purchase Agreement to be US$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 Nevis. The fair market value of the equity consideration was calculated based on 3,775,000 shares of Nevis stock multiplied by the $0.10 price per share that Nevis concurrently conducted 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 Nevis.

3. Through this method of deduction, the remaining amount of US$978,955 was determined to be the value of the trademarks and contracts.

The Company's trademarks have a finite life and are being amortized using a ten-year straight-line method. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(d) 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 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. 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 funded development of Nevis' antibody drug for Acute Lymphoblastic Leukemia (ALL), which is the most common childhood leukemia.

On September 14, 2020, the Company and SōRSE announced that they entered into a Collaborative Research Agreement (the "Agreement") to advance Nevis' immune-stimulating cannabinoid PAS-393 into clinical testing in humans. Nevis (US) and SōRSE shared their respective technologies to develop the cannabinoid PAS-393 for testing in human volunteers.

SōRSE was to provide US$750,000 in research funding to Nevis (US) throughout the 15-month collaboration and paid 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 had an account receivable of $nil (2021: $127,920/US$100,000). During the year ended November 30, 2022, the Company also wrote off accounts receivable of $129,477 (US$100,000) in relation to research funding from SōRSE.

5. ACQUISITION OF THC ESSENTIALS ASSETS

On February 11, 2023, the Company signed an asset purchase agreement (the "Agreement") with SōRSE to acquire from SōRSE the assets comprising THC Essentials, as amended March 31, 2023, April 2, 2023, April 26, 2023, May 29, 2023 and June 8, 2023. Closing must be on or before June 30, 2023 (the "Closing Date") and the Company's shares must be listed on the CSE (the "Listing Date").

The purchase price of US$1,125,000 was paid as follows: (i) a secured promissory note of US$500,000, bearing interest at 7.5% per annum due on July 31, 2024, (ii) an aggregate of 3,775,000 post-consolidation shares, and (iii) US$625,000 payable on the Closing Date.

(Unaudited - Expressed in Canadian Dollars)

The closing occurred on June 30, 2023, whereby a reorganization occurred. The reorganization included, inter alia, closing both a private placement of $2,000,000 and the acquisition of THC Essentials, issuing 1,246,372 shares for debt, the appointment of a new CEO, a change of directors, a name change, a share consolidation on the basis of one new share for five old shares and listing on the CSE. The share consolidation occurred on June 12, 2023.

The acquisition of THC Essentials assets did not meet the definition of a business under IFRS 3 *Business Combinations* and has been accounted for as an asset acquisition in these condensed interim consolidated financial statements. On the acquisition date, June 30, 2023, the Company has allocated the purchase price of the acquisition to the assets acquired as follows:

Purchase Price	**$**
Cash payment	827,693
Common shares issued	283,125
Promissory note(1)	662,000
Transaction costs	122,128
	1,894,946
Net assets acquired	
Current assets - inventory	273,456
Non-current assets - equipment	26,077
Non-current assets - trademarks	1,595,413
Total	1,894,946

During the nine months ended August 31, 2023, the Company recognized interest expense of $8,506.

6. EQUIPMENT

	Computers	Furniture	Other Equipment	Total
	$	$	$	$
Cost:				
At November 30, 2022	-	-	-	-
Acquired on acquisition (Note 5)	-	-	26,077	26,077
Additions	3,155	1,988	-	5,143
At August 31, 2023	**3,155**	**1,988**	**26,077**	**31,220**
Amortization:				
At November 30, 2022	-	-	-	-
Additions	54	67	1,733	1,854
Net exchange differences	(85)	(41)	(565)	(691)
At August 31, 2023	**(31)**	**26**	**1,168**	**1,163**
Net book value:				
At November 30, 2022	-	-	-	-
At August 31, 2023	**3,186**	**1,962**	**24,909**	**30,057**

(Unaudited - Expressed in Canadian Dollars)

7. TRADEMARKS

As part of the assets acquired from SōRSE (Note 5), the "THC Essentials" business line represents 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.

	Trademarks
	$
Cost:	
At November 30, 2021 and 2022	**-**
Acquired on acquisition (Note 5)	1,595,413
At August 31, 2023	**1,595,413**
Amortization:	
At November 30, 2021 and 2022	**-**
Additions	26,924
Net exchange differences	(34,928)
At August 31, 2023	**(8,004)**
Net book value:	
At November 30, 2022	**-**
At August 31, 2023	**1,603,417**

8. SHARE CAPITAL

(a) Authorized

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

Effective June 12, 2023, the Company consolidated its issued and outstanding common shares on the basis of five pre-consolidation shares for one post-consolidation share. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the consolidation.

(b) Common shares

Nine months ended August 31, 2023

On June 30, 2023, the Company issued 1,246,372 common shares to settle debt of $593,049. The shares were valued at $93,478, which resulted in a gain on debt settlement of $509,564 and a foreign exchange gain on debt settlement of $9,993 (Note 10).

On June 30, 2023, the Company issued 3,775,000 common shares pursuant to the acquisition of THC Essentials assets (Note 5).

On June 30, 2023, the Company issued 15,195,000 units as a price of $0.10 per unit for gross proceeds of $1,519,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.20 for a period of one year following the closing date. The Company allocated $379,875 of the gross proceeds to warrant reserve using the residual value method. The Company paid a finder's fee of $74,550 and issued 532,500 finders' warrants on the same terms as the private placement warrants. The finders' warrants were valued at $2,080 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.47%, expected dividend rate of 0%, expected volatility of 72.81%, and forfeiture rate of 0%.

On July 6, 2023, the Company issued 4,805,000 units at a price of $0.10 per unit for gross proceeds of $480,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.20 for a period of one year following the closing date. The Company paid a finder's fee of $32,235 and issued 230,250 finders' warrants on the same terms as the private placement warrants. The finders' warrants were valued at $13,121 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.70%, expected dividend rate of 0%, expected volatility of 68.42%, and forfeiture rate of 0%. The Company also incurred cash share issuance costs of $5,119.

Nine months ended August 31, 2022

On January 4, 2022, the Company issued 100,000 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.

(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 ten years from the date of grant. During the nine months ended August 31, 2023, the Company adopted a new stock option plan that is identical to the former except that "Exchange" refers to the Canadian Securities Exchange rather than the TSX Venture Exchange.

(Unaudited - 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, 2021	1,157,600	0.95
Granted	100,000	0.40
Expired	(322,600)	1.60
Outstanding, November 30, 2022	935,000	0.70
Granted	2,240,000	0.10
Expired	(280,000)	1.25
Outstanding, August 31, 2023[1]	2,895,000	0.18
Exercisable as at August 31, 2023[1]	2,895,000	0.18

[1]The stock options have been restated to reflect the 5:1 share consolidation.

On February 28, 2022, the Company granted 100,000 stock options to the former CEO. The stock options are exercisable at a price of $0.40 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 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 nine months ended August 31, 2023 was $1,774 (2022: $22,825).

On July 6, 2023, the Company granted 2,240,000 stock options to directors. The stock options are exercisable at a price of $0.10 per share, for a period of ten years and vest immediately. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 3.42%, expected dividend rate of 0%, expected volatility of 87.05%, and forfeiture rate of 0%. The fair value of the options was calculated at $404,845. The share-based payment expense recognized during the nine months ended August 31, 2023 was $404,845 (2022: $nil).

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.

(Unaudited - Expressed in Canadian Dollars)

The options outstanding at August 31, 2023 are as follows:

Expiry Date	Outstanding	Exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
November 30, 2023	100,000	100,000	0.40	0.25
June 12, 2024	170,000	170,000	0.40	0.78
December 18, 2025	80,000	80,000	0.75	2.30
April 20, 2026	305,000	305,000	0.40	2.64
July 6, 2033	2,240,000	2,240,000	0.10	9.85
	2,895,000	2,895,000	0.18	8.13

During the nine months ended August 31, 2023, the Company reclassified $252,983 (2022: $336,169) from reserves to deficit with respect to options that were expired.

(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, 2021	2,258,710	0.75	0.91
Expired	(758,710)	0.75	0.00
Balance, November 30, 2022	1,500,000	0.75	0.22
Issued	10,762,750	0.20	1.00
Expired	(1,500,000)	0.75	0.00
Balance, August 31, 2023[1]	10,762,750	0.20	0.84

[1]The Company's warrants outstanding have been restated to reflect the 5:1 share consolidation.

The warrants outstanding at August 31, 2023 are as follows:

Expiry Date	Number Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
June 30, 2024	8,130,000	0.20	0.84
July 6, 2024	2,632,750	0.20	0.84
	10,762,750	0.20	0.84

(Unaudited - Expressed in Canadian Dollars)

During the nine months ended August 31, 2023, the Company reclassified $9,500 (2022: $nil) from reserves to deficit with respect to warrants that were expired.

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 nine months ended August 31, 2023.

10. RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions that occurred during the three and nine months ended August 31, 2023 and 2022:

		Three months ended August 31,		**Nine months ended August 31,**	
Services provided by:		**2023**	**2022**	**2023**	**2022**
		$	**$**	**$**	**$**
Key management salaries/fees	a)	34,562	54,900	49,562	148,766
Director and officer salaries/fees	b)	-	-	-	15,132
Share-based payments		404,845	7,816	404,845	35,763
Benefits		-	-	-	18,163
		439,407	62,716	454,407	217,824

Related parties include:

a) Key management salaries include amounts paid to the current CEO and CFO and former CEO.
b) Director and officer salaries include amounts paid to the former Vice President of Research and the former Vice President of Therapeutic Development.

Included in accounts payable and accrued liabilities is $2,940 (November 30, 2022: $473,595) 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 directors of the Company totaling $102,105 (US $38,764) (November 30, 2022: $224,617 /US$137,818). The loans are unsecured, due on demand and bear no interest.

On November 30, 2022, the Company entered into agreements with non-arm's length parties stating that the Company will issue 240,849 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 1,005,523 common shares of the Company at a deemed price of $0.40 per share. On June 30, 2023, the Company issued 1,246,372 common shares and on July 10, 2023 paid $5,000 in cash to settle the debt.

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.

As at August 31, 2023 and November 30, 2022, the Company's financial instruments are comprised of cash, receivables 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 wrote off accounts receivable of $129,477 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 August 31, 2023, the Company had cash of $575,144 (November 30, 2022: $8,370) available to apply against short-term business requirements and current liabilities of $1,097,296 (November 30, 2022: $851,203). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of August 31, 2023. The short-term loans payable are due on demand. The promissory note is due on July 31, 2024.

(Unaudited - Expressed in Canadian Dollars)

(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 August 31, 2023 and 2022, the Company's net exposure to foreign currency risk is as follows:

US dollars	2023	2022
	$	$
Cash (Bank indebtedness)	8,213	12,943
Accounts receivable	116,348	100,000
Accounts payable	(152,359)	(307,665)
Short-term loan payable	(2,135)	(99,818)
Promissory note	(500,000)	-
Net exposure to foreign currency risk	(529,933)	(294,540)
Canadian dollar equivalent	(717,052)	(386,171)

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, the development of cannabis products, in the United States. Previously, the Company had 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 during the nine months ended August 31, 2023 (Note 1).

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 100,000 common shares of the Company to be issued to the former officer, punitive damages, interest and costs. 100,000 common shares with a fair value of $46,000 were issued during the nine months ended August 31, 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.

On June 22, 2023, the Company reached a settlement with the former officer, whereby the Company will pay $126,000 to the former officer over a period of eight months. As at August 31, 2023, $58,000 has been paid per the settlement agreement and an accrual has been recorded for the remaining $68,000.