NEVIS BRANDS INC.
Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended May 31, 2024 and 2023

(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 six months ended May 31, 2024 and 2023.

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

	Notes	May 31, 2024	November 30, 2023
ASSETS		$	$
Current			
Cash		98,527	418,524
Prepaid expenses and deposits		5,031	8,015
Receivables		250,433	206,839
Inventory	4	335,832	248,269
Total current assets		689,823	881,647
Equipment	5	26,937	19,820
Intangibles, net	6	1,479,552	1,593,957
Total assets		2,196,312	2,495,424
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	254,444	336,092
Short-term loan	9	144,919	99,707
Promissory note	4, 10	536,550	683,273
Total liabilities		935,913	1,119,072
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Equity attributable to shareholders			
Share capital	7	14,991,907	14,921,723
Contributed Surplus	7	788,671	822,805
Deficit		(14,577,103)	(14,417,087)
Accumulated other comprehensive income		56,924	48,911
Total shareholders' equity		1,260,399	1,376,352
Total liabilities and shareholders' equity		2,196,312	2,495,424

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.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	For the Three Months Ended May 31, 2024	For the Three Months Ended May 31, 2023	For the Six Months Ended May 31, 2024	For the Six Months Ended May 31, 2023
		$	$	$	$
Sales revenue		436,562	-	817,291	-
Cost of goods sold		(145,170)	-	(283,064)	-
Gross profit		291,392	-	534,227	-
Accounting and audit fees		(24,546)	(19,411)	(46,355)	(57,747)
Administrative and general office		(49,549)	(988)	(89,734)	(4,842)
Equipment depreciation		(2,606)	-	(4,579)	-
Intangible assets amortization		(60,417)	-	(120,026)	-
Bank charges and interest		(3,318)	(703)	(5,530)	(1,772)
Consulting fees		-	(5,115)	-	(18,602)
Salaries and benefits	9	(103,619)	-	(208,893)	-
Foreign exchange loss		(2,176)	182	(3,159)	(5,177)
Insurance		(3,249)	-	(3,249)	(712)
Transfer agent, listing and filing fees		(4,567)	(8,363)	(13,024)	(19,085)
Investor relations and marketing		(58,571)	(1,636)	(123,063)	(8,441)
Legal fees		(11,663)	(43,509)	(19,212)	(82,353)
Share-based payments	7	(11,050)	-	(11,050)	(1,774)
Travel and entertainment		(5,509)	-	(17,918)	-
Total expenses		(340,840)	(79,543)	(665,792)	(200,505)
Loss from operations		(49,448)	(79,543)	(131,565)	(200,505)
Other Income and expenses					
Research and development	4	-	(3,747)	-	(40,248)
Interest expense	4	(15,301)	-	(28,451)	-
Other income		-	58	-	17,643
Gain on sale of equipment		-	22	-	7,266
Net loss for the period		(64,749)	(83,210)	(160,016)	(215,844)
Other comprehensive loss					
Current translation adjustment		9,961	-	8,013	-
Total comprehensive loss for the period		(54,788)	(83,210)	(152,003)	(215,844)
Earnings / (Loss) per share, basic and diluted		(0.00)	(0.01)	(0.00)	(0.02)
Weighted average common shares outstanding – basic and diluted[1]		38,162,066	13,118,955	38,151,256	13,118,955

[1]Post 5:1 share consolidation

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

Nevis Brands Inc.
Consolidated Statements in Shareholders' Equity (Deficiency)
(Unaudited - Expressed in Canadian Dollars)

	Common Shares						Total
	Number of Shares[1]	Amount	Shares to be Issued	Contributed Surplus	Other comprehensive Income	Deficit	Shareholders' Equity (Deficiency)
		$	$	$	$	$	$
Balance, November 30, 2022	13,118,955	13,052,100	-	424,152	-	(14,420,357)	(944,105)
Share subscriptions received	-	-	150,000	-	-	-	150,000
Share-based payments	-	-	-	1,774	-	-	1,774
Fair value transfer on expiry of options	-	-	-	(51,221)	-	51,221	-
Fair value transfer on expiry of warrants	-	-	-	(9,500)	-	9,500	-
Net loss for the period	-	-	-	-	-	(215,844)	(215,844)
Balance, May 31, 2023	13,118,955	13,052,100	150,000	365,205	-	(14,575,480)	(1,008,175)
Shares issued for cash	20,000,000	1,604,924	(150,000)	395,076	-	-	1,850,000
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	-	-	-	404,845	-	-	404,845
Fair value transfer on expiry of options	-	-	-	(342,321)	-	342,321	-
Net loss for the period	-	-	-	-	48,911	(183,928)	(135,017)
Balance, November 30, 2023	38,140,327	14,921,723	-	822,805	48,911	(14,417,087)	1,376,352
Shares issued for exercise of options	250,000	70,184	-	(45,184)	-	-	25,000
Share-based payments	-	-	-	11,050	-	-	11,050
Net loss for the period	-	-	-	-	8,013	(160,016)	(152,003)
Balance, May 31, 2024	**38,390,327**	**14,991,907**	**-**	**788,671**	**56,924**	**(14,577,103)**	**1,260,399**

[1]Post 5:1 share consolidation

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

Nevis Brands Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

For the six months ended May 31

	2024	2023
	$	$
Cash provided by (used in):		
Operating activities:		
Net loss for the period	(160,016)	(215,844)
Items not involving cash:		
Equipment depreciation	4,579	-
Intangible assets amortization	120,026	-
Share-based payments	11,050	1,774
Gain on sale of equipment	-	(7,266)
Interest expense	24,372	-
Changes in non-cash working capital:		
Prepaid expenses	2,984	(10,973)
Receivables	(43,594)	(146)
Accounts payable and accrued liabilities	(81,648)	119,929
Net cash used in operating activities	(122,247)	(112,526)
Investing activity:		
Proceeds from sale of equipment	-	7,266
Purchase of inventory	(87,563)	-
Purchase of equipment	(11,562)	-
Net cash provided by (used in) investing activities	(99,125)	7,266
Financing activities:		
Proceeds on exercise of options	25,000	-
Proceeds from short-term loan	45,212	100,589
Subscriptions received	-	150,000
Repayment of promissory note	(171,095)	-
Net cash provided by (used in) financing activities	(100,883)	250,589
Net change in cash	(322,255)	145,329
Effect of exchange rate changes on cash	2,258	-
Cash, beginning of period	418,524	8,370
Cash, end of period	98,527	153,699

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevis Brands 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 4). 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". On February 15, 2024, the Company became listed on the OTCQB under the trading symbol "PSCBF".

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 May 31, 2024, the Company has a working capital deficiency of $246,090 (November 30, 2023: $237,425) and reported a net loss of $160,016 (2023: $215,844). 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.

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 July 8, 2024.

(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, 2023.

(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 4), 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, 2023.

4. 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 $1,894,946 (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.

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

(Unaudited - Expressed in Canadian Dollars)

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	
Inventory	222,159
Equipment	21,185
Intangible assets - Customer relationship	695,180
Intangible assets - Trademarks	956,422
Total	1,894,946

During the six months ended May 31, 2024, the Company recognized interest expense of $24,372.

5. EQUIPMENT

	Computers	**Furniture**	**Other Equipment**	**Total**
	$	**$**	**$**	**$**
Cost:				
At November 30, 2022	**-**	**-**	**-**	**-**
Acquired on acquisition (Note 4)	-	-	21,185	21,185
Additions	3,155	1,988	-	5,143
At November 30, 2023	**3,155**	**1,988**	**21,185**	**26,328**
Additions	-	-	11,562	11,562
At May 31, 2024	**3,155**	**1,988**	**32,747**	**37,890**
Amortization:				
At November 30, 2022	**-**	**-**	**-**	**-**
Additions	216	169	6,780	7,165
Net exchange differences	(96)	(49)	(512)	(657)
At November 30, 2023	**120**	**120**	**6,268**	**6,508**
Additions	302	186	4,091	4,579
Net exchange differences	(10)	(6)	(118)	(134)
At May 31, 2024	**412**	**300**	**10,241**	**10,953**
Net book value:				
At November 30, 2023	**3,035**	**1,868**	**14,917**	**19,820**
At May 31, 2024	**2,743**	**1,688**	**22,506**	**26,937**

(Unaudited - Expressed in Canadian Dollars)

6. INTANGIBLE ASSETS

As part of the assets acquired from SōRSE (Note 4), 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.

	Customer relationship	Trademarks	Total
	$	$	$
Cost:			
At November 30, 2022	-	-	-
Acquired on acquisition (Note 4)	695,180	956,422	1,651,602
At May 31, 2024 and November 30, 2023	**695,180**	**956,422**	**1,651,602**
Amortization:			
At November 30, 2022	-	-	-
Additions	59,109	40,662	99,771
Net exchange differences	(17,639)	(24,487)	(42,126)
At November 30, 2023	**41,470**	**16,175**	**57,645**
Additions	71,110	48,916	120,026
Net exchange differences	(2,154)	(3,467)	(5,621)
At May 31, 2024	**110,426**	**61,624**	**172,050**
Net book value:			
At November 30, 2023	**653,710**	**940,247**	**1,593,957**
At May 31, 2024	**584,754**	**894,798**	**1,479,552**

The estimated aggregate amortization expense for each of the five succeeding fiscal years is as follows:

	2024	2025	2026	2027	2028	Total
Customer relationship	65,636	131,271	131,271	131,271	131,271	590,720
Trademarks	47,203	94,405	94,405	94,405	94,405	424,823
	112,839	225,676	225,676	225,676	225,676	1,015,543

7. 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.

(Unaudited - Expressed in Canadian Dollars)

(b) Common shares

Six months ended May 31, 2024

On May 23, 2024, the Company issued 250,000 common shares pursuant to an option exercise.

Six months ended May 31, 2023

There were no financing activities during the six months ended May 31, 2023.

(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 year ended November 30, 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.

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

	Quantity	**Weighted Average Exercise Price ($)**
Outstanding, November 30, 2022	935,000	0.70
Granted	2,240,000	0.10
Expired	(855,000)	0.71
Outstanding, November 30, 2023[1]	2,320,000	0.11
Granted	250,000	0.12
Exercised	(250,000)	0.10
Outstanding, May 31, 2024[1]	2,320,000	0.11
Exercisable as at May 31, 2024	2,070,000	0.11

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

On March 1, 2024, the Company granted 250,000 stock options to the VP of Operations. The stock options are exercisable at a price of $0.12 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 3.43%, expected dividend rate of 0%, expected volatility of 90.40%, and forfeiture rate of 0%. The fair value of the options was calculated at $21,415. The share-based payment expense recognized during the six months ended May 31, 2024 was $11,050 (2023: $nil).

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 six months ended May 31, 2024 was $nil (2023: $1,774).

(Unaudited - Expressed in Canadian Dollars)

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 six months ended May 31, 2024 was $nil (2023: $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.

The options outstanding at May 31, 2024 are as follows:

Expiry Date	Outstanding	Exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
April 20, 2026	80,000	80,000	0.40	1.89
March 1, 2029	250,000	-	0.12	4.75
July 6, 2033	1,990,000	1,990,000	0.10	9.10
	2,320,000	2,070,000	0.11	8.39

(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, 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, November 30, 2023	10,762,750	0.20	0.59
Balance, May 31, 2024[1]	10,762,750	0.20	0.09

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

(Unaudited - Expressed in Canadian Dollars)

The warrants outstanding at May 31, 2024 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	0.08
July 6, 2024	2,632,750	0.20	0.10
	10,762,750	0.20	0.09

Subsequent to May 31, 2024, a total of 10,762,750 warrants with an exercise price of $0.20 expired unexercised.

8. 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, comprised of issued share capital, contributed surplus 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 six months ended May 31, 2024.

9. RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions that occurred during the three and six months ended May 31, 2024 and 2023:

Services provided by:		Three Months Ended May 31,		Six Months Ended May 31,	
		2024	2023	2024	2023
		$	$	$	$
Key management salaries/fees	a)	69,344	7,500	138,276	15,000
		69,344	7,500	138,276	15,000

Related parties include:

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

Included in accounts payable and accrued liabilities is $2,940 (November 30, 2023: $13,127) 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 $144,919 (US $100,330) (November 30, 2023: $99,707 /US$67,178). The loans are unsecured, due on demand and bear no interest.

10. 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 May 31, 2024 and November 30, 2023, 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, 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.

(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 May 31, 2024, the Company had cash of $98,527 (November 30, 2023: $418,524) available to apply against short-term business requirements and current liabilities of $935,913 (November 30, 2023: $1,119,072). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of May 31, 2024. The short-term loans payable are due on demand.

On April 22, 2024, the promissory note maturity date was extended from July 31, 2024 to December 31, 2024. During the six months ended May 31, 2024, $171,094 (US $125,000) of principal on the promissory note was repaid.

(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 May 31, 2024 and 2023, the Company's net exposure to foreign currency risk is as follows:

US dollars	2024	2023
	$	$
Cash	14,573	1,846
Accounts receivable	180,662	-
Accounts payable	(170,600)	(324,089)
Short-term loan payable	(100,330)	(100,131)
Promissory note	(408,724)	-
Net exposure to foreign currency risk	(484,419)	(422,374)
Canadian dollar equivalent	(660,602)	(574,556)

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.

11. SEGMENTED INFORMATION

The Company has one operating and reportable segment, the development of cannabis products, in the United States.

12. ECONOMIC DEPENDENCE

During the six months ended May 31, 2024, the Company had sales of $817,291 in the United States. Major customers are defined as customers that each individually account for greater than 10% of the Company's revenues. For the six months ended May 31, 2024, the following revenue was recorded from major customers comprising 87% (2023 – 0%) of gross revenues:

	2024	2023
	$	$
Washington State	552,608	-
California State	86,841	-
Ohio State	46,432	-

13. COMMITMENTS

Leases

The Company has a short-term operating lease agreement being month to month. During the six months ended May 31, 2024, short term leases expense of $31,948 was reported in the administrative and office general expenses within the Condensed Interim Consolidated Statements of Loss and Comprehensive Loss.

14. 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 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.

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 May 31, 2024, the full settlement of $126,000 has been paid.