PLANTFUEL LIFE INC.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2023 AND 2022

(Expressed in Canadian Dollars)

Management's Responsibility for Consolidated Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of PlantFuel Life Inc. (the "Company" or "FUEL") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions, which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Management has established processes which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards by the Chartered Professional Accountants of Canada for a review of the financial statements by an entity's auditor.

DATED this 29 day of August 2023

PLANTFUEL LIFE INC.

Per: (signed) "Connor Yuen"
Name: Connor Yuen
Title: Chief Executive Officer

PLANTFUEL LIFE INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at
(Expressed in Canadian dollars)

	June 30, 2023 (Unaudited) ($)	September 30, 2022 (Audited) ($)
ASSETS		
Current		
Cash	61,881	5,271
Sales tax receivables	78,352	75,204
Trade receivables (Note 16)	17,476	18,438
Prepaid expenses (Note 3)	705,763	561,508
Inventories (Note 4)	1,456,892	1,538,921
Total current assets	2,320,364	2,199,342
Long-term		
Property, plant and equipment (Note 5)	7,780	9,580
Right of Use assets (Note 6)	1,920,486	1,937,850
Intangible asset (Note 7)	3,857,143	-
Total long term assets	5,785,409	1,947,430
TOTAL ASSETS	**8,105,773**	**4,146,772**
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current		
Accounts payable and accrued liabilities (Note 8 and 11)	2,526,142	2,772,884
Lease liabilities (Note 6)	260,027	260,027
Current portion of secured and revolving loans (Note 8)	673,397	274,795
Contract liabilities (Note 9)	1,564,468	1,619,650
Current portion of royalty agreement liability (Note 12)	238,520	238,520
Total current liabilities	5,262,554	5,165,876
Long-term		
Lease liabilities (Note 6)	1,972,214	1,972,214
Convertible debentures (Note 13)	198,000	-
TOTAL LIABILITIES	7,432,768	7,138,090
SHAREHOLDERS' DEFICIT		
Share capital (Note 14)	52,916,066	47,975,542
Contributed surplus (Note 14)	5,538,354	5,123,125
Warrants (Note 14)	3,064,286	2,777,548
Accumulated other comprehensive income	308,803	379,492
Deficit	(61,154,504)	(59,247,025)
Total Shareholders' Equity (Deficit)	673,005	(2,991,318)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	**8,105,773**	**4,146,772**

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 18)
Subsequent Event (Note 19)

Approved on behalf of the board:

(signed) "Connor Yuen"	(signed) "Andy Wu"
Director	Director

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

PLANTFUEL LIFE INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the Three and Nine Months Ended June 30, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended		Nine months ended	
	June 30, 2023	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
Sales	$ 11,383	$ 528,317	$ 58,369	$ 866,999
Cost of goods sold (Note 4)	(48)	511,608	55,892	784,651
Gross Profit	**11,431**	**16,709**	**2,477**	**82,348**
Expenses				
Administration	72,456	208,011	198,697	877,099
Amortization (Note 7)	6,988	1,570,110	19,164	4,620,485
Consulting and professional fees (Note 10)	249,533	389,328	475,832	1,397,741
Marketing and promotion	341,218	374,386	402,733	2,792,330
Rent	(1)	82,888	12,794	96,925
Research and development	4,095	44,839	78,982	954,796
Share based compensation (Note 14)	117,110	-	415,229	722,880
Travel	3,594	17,880	6,044	119,432
Wages and Management fees (Note 10)	5,649	456,406	296,888	1,115,432
Total operating expenses	800,642	3,143,848	1,906,363	12,697,120
Operating Loss	**(789,211)**	**(3,127,139)**	**(1,903,886)**	**(12,614,772)**
Other items				
Interest income	-	61,599	-	61,599
Interest expense	(22,508)	(27,528)	(25,355)	(66,840)
Financing fees	(6,755)	-	(6,755)	-
Foreign exchange (loss) gain	1,105	206,295	(2,416)	(4,539)
Gain on debt settlement	-	-	30,933	-
Net Loss for the period	**(817,369)**	**(2,886,773)**	**(1,907,479)**	**(12,624,552)**
Other comprehensive loss				
Items that may be reclassified to profit and loss in subsequent periods:				
Foreign currency translation adjustment	(69,555)	(586,030)	(70,689)	(292,388)
Comprehensive loss for the period	**(886,924)**	**(3,472,803)**	**(1,978,168)**	**(12,916,940)**
Basic and diluted loss per share:	$ (0.09)	$ (0.96)	$ (0.30)	$ (3.99)
Weighted average number of common shares outstanding	9,143,587	3,632,825	6,272,864	3,233,936

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

PLANTFUEL LIFE INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended June 30,
(Expressed in Canadian dollars)
(Unaudited)

	2023	**2022**
	($)	**($)**
OPERATING ACTIVITIES		
Net loss for the period	(1,907,479)	(12,624,552)
Items not affecting cash:		
Accrued Interest	22,508	4,016
Amortization	19,164	4,620,485
Interest Expense	-	52,608
Share based compensation	415,229	722,880
Gain on debt settlement	(30,933)	-
Foreign exchange loss (gain)	(69,752)	4,539
Changes in non-cash working capital items:		
Sales tax receivables	(3,148)	(65,152)
Trade receivables	962	40,461
Prepaid expenses	(144,255)	1,232,260
Inventories	82,029	(1,025,009)
Deferred income	-	1,614,380
Accounts payable and accrued liabilities	176,266	543,996
Cash used in operating activities	(1,439,409)	(4,879,087)
FINANCING ACTIVITIES		
Proceeds from share issuance	922,200	4,651,416
Share issuance costs	(10,656)	(138,253)
Repayment of lease liability	-	(6,051)
Exercise of options	66,500	-
Proceeds from revolving loan facility (Note 9)	559,405	-
Repayment of revolving loan facility (Note 9)	(168,741)	50,000
Proceeds from issuance of convertible debentures	198,000	-
Cash provided by financing activities	1,566,708	4,557,112
CHANGE IN CASH	127,299	(321,975)
Accumulated Other Comprehensive Loss	(70,689)	-
CASH, BEGINNING OF THE PERIOD	5,271	296,557
CASH, END OF THE PERIOD	61,881	(25,418)

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

PLANTFUEL LIFE INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
For the Nine Months Ended June 30, 2023 and 2022
(Expressed in Canadian dollars)

	Number of Shares	Share Capital ($)	Contributed Surplus ($)	Warrants ($)	Accumulated Other Comprehensive Income ($)	Deficit ($)	Total ($)
Balance at September 30, 2021	2,865,147	45,310,850	4,450,704	830,025	397,302	(21,311,709)	29,677,172
Share based compensation (Note 14)	-	-	722,880	-	-	-	722,880
Shares issued in equity raise, net of issue costs (Note 14)	767,678	4,513,163	-	-	-	-	4,513,163
Value of warrants issued in unit issuance (Note 14)	-	(2,100,023)	-	2,100,023	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	292,388	(12,624,552)	(12,332,164)
Balance at June 30, 2022	**3,632,825**	**47,723,990**	**5,173,584**	**2,930,048**	**689,690**	**(33,936,261)**	**22,851,051**
Balance at September 30, 2022	**3,682,804**	**47,975,542**	**5,123,125**	**2,777,548**	**379,492**	**(59,247,025)**	**(2,991,318)**
Share based compensation	-	-	415,229	-	-	-	415,229
Shares issued in equity raise, net of issue costs (Note 1 and 15)	1,152,750	624,806	-	286,738	-	-	911,544
Shares issued for settlement of debt (Note 14)	438,621	392,075	-	-	-	-	392,075
Shares issued for exercise of options (Note 14)	70,000	66,500	-	-	-	-	66,500
Shares issued on acquisition of BeeImmune (Note 14)	4,285,714	3,857,143	-	-	-	-	3,857,143
Loss and comprehensive loss for the period	-	-	-	-	(70,689)	(1,907,479)	(1,978,168)
Balance at June 30, 2023	**9,629,889**	**52,916,066**	**5,538,354**	**3,064,286**	**308,803**	**(61,154,504)**	**673,005**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

PlantFuel Life Inc. (the "Company") is a company incorporated under the Business Corporations Act of British Columbia. The head office of the Company is located at 2500 Meadowpine Blvd. Ste 202, Mississauga, Ontario L5N 6C4.

On March 12, 2021, the Company completed the acquisition of PlantFuel, Inc. (Note 11). The Company focuses on health supplements, nutraceuticals, and plant protein-based products.

In April 2021, the Company received approval and changed its operating name to PlantFuel Life Inc. The Company is listed for trading on the CSE under the symbol "FUEL.CN", OTC "PLFLF", and the Frankfurt stock exchange in Germany under the symbol "BR1B".

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. For the nine-month period ended June 30, 2023, the Company incurred a net loss of $1,907,479 (2022 - $12,624,552) and had a working capital deficit of $2,942,190 (September 30, 2022 - $2,966,534). The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. During the period, the Company closed one private placement on three tranches; one for gross proceeds of $622,000 (Note 14(g)), second for gross proceeds of $225,000 (Note 14(h)), and a third for gross proceeds of $75,000 (Note 14(i)) and one convertible debenture private placement for gross proceeds of $198,000 (Note 13). Management is of the opinion that based on current forecasts for the nutraceutical business, the Company will require additional funds to meet the Company's liabilities and commitments as they become due. There is a risk that financing may not be available on a timely basis or on terms acceptable to the Company.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments, if required, could be material.

The Company has been closely monitoring developments related to COVID-19, including the existing and potential impact on global and local economies. The Company has implemented its business continuity plan ensuring minimal interruption to the business. Governments worldwide have since put in place various measures to contain the spread of the virus, which have directly and indirectly impacted many businesses. The COVID-19 pandemic did not have any significant impact on the Company's financial statements during the reporting period. The longer-term impacts of the COVID-19 situation will depend on future developments which are highly uncertain, rapidly evolving, and difficult to predict. These impacts may differ in magnitude depending on several scenarios, which the Company continues to monitor and take into consideration.

On June 06, 2023, the Company consolidated its common shares on the bases of one post-consolidation common share for every 10 pre-consolidation common shares. All share figures and references have been retrospectively adjusted.

2. BASIS OF PREPARATION

Statement of Compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These condensed interim

2. BASIS OF PREPARATION (continued)

Statement of Compliance (continued)

consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended September 30, 2022, which have been prepared in accordance with IFRS and IFRIC as issued by the IASB in effect as of September 30, 2022.

The accounting policies and methods of computation remain the same as presented in the audited annual consolidated financial statements for the year ended September 30, 2022.

There are no new IFRS and/or IFRIC pronouncements issued that are effective for the first time for this interim period that would be expected to have a material impact on the Company.

The consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2023.

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for cash flow information and certain financial assets that are measured at fair value as explained in the significant accounting policies set out in Note 3 of the audited annual consolidated financial statements for the year ended September 30, 2022.

The functional and presentation currency of the Company is the Canadian dollar. The functional currency of PlantFuel, Inc., which was acquired in March 2021, is US dollars. All other entities continued to have a functional currency of Canadian dollars throughout 2023.

Basis of Consolidation

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

These condensed interim consolidated financial statements include the accounts of the Company and the following wholly owned subsidiaries: Best Cannabis Products Inc., BCP Holdings and Investments Inc., Big Rock Technologies Inc., Fusion Nutrition Incorporated, and PlantFuel, Inc.

All intercompany balances, transactions, unrealized gains, and losses resulting from intercompany transaction have been eliminated on consolidation.

Significant Accounting Estimates and Judgments

The preparation of consolidated 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 Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

2. BASIS OF PREPARATION (continued)

Significant Accounting Estimates and Judgments (continued)

Significant estimates and judgments include:

(i) Share-based payments and warrants

Management utilizes option pricing models to determine the fair value of share-based payments and warrants which requires inputs of assumptions including the volatility of the Company's stock price.

(ii) Business combination

The Company applies judgment in determining a business is acquired when the integrated set of assets and activities includes at a minimum, an input and substantive process and whether the acquired set of assets has the ability to contribute to the creation of outputs.

In a business combination, a significant area of judgment and estimation relates to the determination of the fair value of assets and liabilities acquired including any intangible assets and goodwill identified.

(iii) Acquisition of a group of assets

At the date of acquisition of a subsidiary or associate, intangible assets that are deemed separable and that arise from contractual or other legal rights are capitalized and included within the net identifiable assets acquired. The net identifiable assets acquired and liabilities assumed are measured at their estimated fair value of the consideration paid, based on their relative fair values at the acquisition date except where the fair value cannot be estimated reliably, in which case all financial instruments are measured at fair value and the residual balance is allocated to the value of intangible assets.

(iv) Revenue recognition

The assessment of terms and conditions in contracts which may impact revenue recognition can require significant judgment. Management exercises judgment in estimating the revenue from contracts with customers subject to variable consideration.

(v) Going concern

The assessment of the Company's ability to execute its strategy by effectively operating the Company involves judgment. Management closely monitors the operations and cash flows in the Company. Further information regarding the going concern is outlined in Note 1.

(vi) Income taxes

Management exercises judgment to determine the extent to which deferred tax assets are recoverable and can therefore be recognized in the statements of financial position and statements of loss and comprehensive loss.

(vii) Property, plant, equipment, and intangible assets

Management exercises judgment in determining when property, plant and equipment, and intangible assets are available for use as well as their useful lives.

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Significant Accounting Estimates and Judgments (continued)

(viii) Non-financial asset impairment

Management exercises judgment to evaluate the carrying value of property, plant, and equipment, and intangible assets at the end of each reporting period to determine whether there is an indication of asset impairment. If any such indication exists, the Company estimates the recoverable amount of the asset to determine if an asset is impaired.

3. PREPAID EXPENSES

During the nine months ended June 30, 2023, the Company made prepayments for services to be incurred in the future. The balance is comprised of product manufacturer prepayments $271,336 (September 30, 2022 - $280,907), prepaid marketing and SG&A expenses $64,810 (September 30, 2022 - $67,096) and prepaid administration expenses of $369,617 (September 30, 2022 - $213,505).

4. INVENTORIES

During the three months ended June 30, 2023, inventory valued at $55,892 (2022 - $511,608) was expensed as product cost of sales. There were no provisional product write-downs of inventory during the nine months ended June 30, 2023 and the year ended September 30, 2022.

Inventory at June 30, 2023 consisted of finished goods valued at $1,456,892 (September 30, 2022 - $1,538,921).

5. PROPERTY, PLANT, AND EQUIPMENT

	Computer Equipment	Furniture & Fixtures	Total
	($)	**($)**	**($)**
Cost			
Balance as of September 30, 2021	3,782	24,746	28,528
Write-off	(2,045)	(9,176)	(11,221)
Balance as of September 30, 2022 and June 30, 2023	**1,737**	**15,570**	**17,307**
Accumulated Depreciation			
Balance as of September 30, 2021	(1,664)	(6,877)	(8,542)
Amortization	(167)	(1,630)	(1,797)
Write-off	1,039	2,171	3,210
Balance as of September 30, 2022	(847)	(6,879)	(7,727)
Amortization	(180)	(1,620)	(1,800)
Balance as of June 30, 2023	**(1,027)**	**(8,499)**	**(9,527)**
Net Book Values			
Balance as of September 30, 2022	**890**	**8,691**	**9,580**
Balance as of June 30, 2023	**710**	**7,071**	**7,780**

(Expressed in Canadian dollars)

6. LEASES

On February 1, 2020, the Company entered into a three-year lease agreement for its head office. The Company has the right to renew the lease for an additional three-year term before the lease termination subject to certain provisions incorporated in the lease.

On March 23, 2022, the Company entered into a seven-year lease agreement for its Colorado office. The Company has the right to renew the term of this lease for two periods of five years each before the lease termination subject to certain provisions incorporated in the lease.

Right-of-Use Asset	**June 30, 2023**	**September 30, 2022**
	($)	**($)**
Beginning balance	1,937,850	30,870
Additions	-	2,074,892
Less: amortization	(17,364)	(167,912)
Total carrying value	**1,920,486**	**1,937,850**

Lease Liability	**June 30, 2023**	**September 30, 2022**
	($)	**($)**
Beginning balance	2,232,241	28,933
Additions	-	2,074,892
Less: lease payments	-	(118,596)
Finance expenses	-	74,923
Foreign exchange	-	172,089
Total lease liability	**2,232,241**	**2,232,241**
Less: current portion	(260,027)	(260,027)
Non-current portion of lease liability	**1,972,214**	**1,972,214**

Lease commitments - undiscounted cash flow:	**June 30, 2023**	**September 30, 2022**
	($)	**($)**
Future lease payments	2,822,486	2,822,486
Finance charges	(590,245)	(590,245)
Total liability	**2,232,241**	**2,232,241**

(Expressed in Canadian dollars)

7. INTANGIBLE ASSETS

	BeeImmune	Intellectual Property and Know-How	Total
	($)	($)	($)
Cost			
Balance as of September 30, 2021	-	30,557,329	30,557,329
Impairment	-	(32,874,131)	(32,874,131)
Foreign exchange	-	2,316,802	2,316,802
Balance as of September 30, 2022	**-**	**-**	**-**
Addition	3,857,143	-	3,857,143
Balance as of June 30, 2023	**3,857,143**	**-**	**3,857,143**
Accumulated Depreciation			
Balance as of September 30, 2021	-	(3,310,377)	(3,310,377)
Amortization	-	(6,126,336)	(6,126,336)
Impairment	-	10,136,190	10,136,190
Foreign exchange	-	(699,477)	(699,477)
Balance as of September 30, 2022 and June 30, 2023	**-**	**-**	**-**

	BeeImmune	Intellectual Property and Know-How	Total
	($)	($)	($)
Net Book Values			
Balance as of September 30, 2022	-	-	-
Balance as of June 30, 2023	**3,857,143**	**-**	**3,857,143**

On each reporting date, the Company assesses whether there are events or changes in circumstances that would more likely than not reduce the fair value of any of its reporting units below their carrying values and, therefore, require the intangible assets to be tested for impairment. During the year ended September 30, 2022, the Company recorded an impairment charge of $21,186,910. This was allocated to the intangible asset related to the PlantFuel, Inc. CGU.

A CGU is the smallest group of assets for which there are separate identifiable cash flows. In 2022, as a result of no longer devoting resources to Fusion Nutrition Inc., there is only one CGU which is PlantFuel, Inc. The PlantFuel, Inc. CGU represents a business operation focused on delivering plant-fueled nutritional supplements to consumers. The recoverable amount of the CGUs was based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The pre-tax discount rate reflects management’s estimate of the time value of money and the Company’s weighted average cost of capital adjusted for each CGU and the risk-free rate.

The key assumptions used in the estimation of value in use for the PlantFuel Inc CGU were as follows: pre-tax discount rate – 21%, a 3% growth rate beyond year 5 and for terminal value, budgeted revenue growth rate (average for 2023 through 2027) - 22%, gross margin (averages) 30%, cash flow period - 5 years. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was assumed be 3%, based on management's prudent approach to impairment testing. Budgeted EBITDA margin was estimated taking into account the revenue history of the past 6 months and estimated sales volumes over the next five years.

7. INTANGIBLE ASSETS (continued)

The recoverable amount of the PlantFuel Inc. CGU was assessed at negative $2,354,272 based on its value-in-use, which was lower than the carrying amount of the CGU. The Company recorded an impairment charge of $21,186,910 on intangible assets.

On April 11, 2023, the Company closed its announced business combination with 1402105 B.C. Ltd., doing business as BeeImmune, pursuant to a definitive business combination agreement dated March 27, 2023, with BeeImmune and 1406733 B.C. Ltd. (Subco), a wholly owned subsidiary of the Company, pursuant to which the Company has acquired all of the issued and outstanding shares of BeeImmune and issued 4,285,714 common shares to BeeImmune with fair value of $3,857,143 which was determined to be $0.90 per share using the market price at acquisition date (Note 14).

8. REVOLVING LOAN FACILITY

On July 15, 2021, the Company entered into a revolving loan facility agreement with a credit limit of $2,000,000. This loan is subject to stand-by fee of 0.5% per annum and interest rate of 10% per annum payable at the end of each month. The loan matured on July 15, 2022 and is incurring a default interest rate of an additional 5% per annum per the loan agreement.

On Aug 29, 2022, the Company entered into a revolving loan facility agreement with a company that is wholly owned by the CEO of the Company. The credit limit is USD $1,000,000 and it is subject to stand-by fee of 0.5% per annum and interest rate of 10% per annum payable at the end of each month. The loan matures on September 1, 2023, unless otherwise extended (Note 10).

Total advances granted to the Company during the year ended September 30, 2022 were $1,549,795. Part of these advances were repaid by the Company along with accrued interests and stand-by fees, amounted a total of $1,314,078, on November 30, 2021 and June 30, 2022. No advances granted were during the nine months ended June 30, 2023. As of June 30, 2023, an amount of $673,397 is due and payable (September 30, 2022 - $274,795). This amount includes total accrued interest and fees on these loans at period-end is $10,041 (September 30, 2022 - $10,104).

On January 10, 2023, the Company entered into a secured promissory note with principal amount of $92,680 (USD $70,000) together with a $6,754 (USD $5,000) setup fee, 2.5% per month interest. During the nine months ended June 30, 2023, the Company paid $13,240 (USD $10,000). As of June 30, 2023, an amount of $100,365 (September 30, 2022 - $Nil). This amount includes total accrued interest and fees on these loans at period-end is $14,596 (September 30, 2022 - $Nil).

During the nine months ended June 30, 2023, the Company received $466,725 loans from companies owned by a director of the Company. These loans are unsecured, due on demand and with an interest rate of 15% per annum. As of June 30, 2023, an amount of $474,637 is due and payable (September 30, 2022 - $Nil). This amount includes total accrued interest and fees on these loans at period-end is $8,118 (September 30, 2022 - $Nil).

(Expressed in Canadian dollars)

9. CONTRACT LIABILITIES

The following table presents changes in the contract liabilities balance:

	($)
Balance as of September 30, 2021	-
Amounts invoiced and revenue deferred	2,121,296
Recognition of deferred revenue	(564,673)
Foreign exchange	63,027
Balance as of September 30, 2022	**1,619,560**
Foreign exchange	(55,182)
Balance as of June 30, 2023	**1,564,468**

10. RELATED PARTY TRANSACTIONS

Key management personnel included the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and directors and officers and companies controlled or significantly influenced by them.

During the nine months ended June 30, 2023, the following amounts were paid to or accrued for key management personnel $142,178 (2022 - $750,106).

Accounts payables and accrued liabilities as at June 30, 2023 include $335,398 (September 30, 2022 - $215,593) owed to directors and officers of the Company. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

On August 29, 2022, the Company entered into a revolving loan facility agreement with a company that is wholly owned by its CEO. On the agreement date, the Company issued 50,000 common shares at a deemed price of $1.75 per share to the lender for loan set-up fees (Note 14). The outstanding loan balance of June 30, 2023 is $218,915 (September 30, 2022 - $224,795), and the accrued interest is $1,779 (September 30, 2022 - $1,842) (Note 10).

On December 30, 2022, Brad Pyatt, CEO and Director, announced that he had acquired ownership of 185,746 common shares of the Company at $0.90 per Share pursuant to a debt settlement transaction. As a result of the acquisition of Shares pursuant to this purchase, Mr. Pyatt now holds 594,038 Shares, of which, 387,788 Shares are held directly by Mr. Pyatt and 206,250 are held by Tasty Idea, LLC. and Mr. Pyatt's non-diluted shareholdings now represent approximately 10.97% of the Company's issued and outstanding Shares.

During the nine months ended June 30, 2023, the Company received $466,725 loans from companies owned by a director of the Company. These loans are unsecured, due on demand and with an interest rate of 15% per annum. As of June 30, 2023, an amount of $474,637 is due and payable (September 30, 2022 - $Nil). This amount includes total accrued interest and fees on these loans at period-end is $8,118 (September 30, 2022 - $Nil).

11. ACQUISITION

On March 12, 2021, the Company completed its acquisition of PlantFuel, Inc. ("PF"), an American-based plant protein company. PF is focused on delivering plant-fueled nutritional supplements to consumers using world-class formulations and using clinically proven ingredients. The Company acquired the creative assets and product formulas related to the PlantFuel intellectual property and know-how. The transaction was completed by issuing 1,083,333 common shares of the Company. According to the terms of the agreement, the consideration shares are held in escrow and are to be distributed as follows: The shares were subject to the following release provisions, 10% on closing, 30% three months from closing, 30% six months from

(Expressed in Canadian dollars)

11. ACQUISITION (continued)

closing, and 30% 12 months from closing.

The acquisition of PF does not meet the definition of a business combination under IFRS 3. Consequently, the transaction has been accounted for as an asset acquisition.

The total purchase price was allocated based on the relative fair value of the assets and the liabilities acquired as shown below:

Fair Value of Net Assets acquired on March 12, 2021:

	($)
Cash	255
Prepaid assets	6,247
Intangible assets	29,962,539
Accounts payable and accruals	(59,482)
Due to shareholder	(9,559)
	29,900,000

Fair Value of consideration	
Common shares of PlantFuel Life Inc.	29,900,000

The fair value of the common shares was determined using the Company's closing share price of $27.60 on March 12, 2021.

12. ROYALTY AGREEMENT LIABILITY

As part of the acquisition of Fusion Nutrition Inc. on May 3, 2020, the Company negotiated a ten-year royalty and licensing agreement with Acenzia Inc. a supplier of Fusion. Fusion has an outstanding liability of $238,520 with Acenzia. Rather than payout this liability, the Company and Acenzia came to terms on a royalty and licensing agreement whereby Acenzia has the right to sell Fusion products to a select number of countries in the Middle East. Royalty amounts due under the agreement will be applied to the outstanding balance owed at the date of acquisition for three years at which point the Company has the discretion to pay out any outstanding balance or continue to apply royalties due against said sum. Once paid out in full, the Company will receive license and royalty fees to the end of the agreement.

13. CONVERTIBLE DEBENTURE

On January 31, 2023, the Company closed its non-brokered private placement issuing 19.80 convertible debentures at a price of $10,000 per Convertible Debenture for gross proceeds of $198,000.

Each Convertible Debenture consists of: (i) a debenture certificate with a principal amount of $1,000 (the "Principal") maturing on the date that is the second anniversary of the date that the Convertible Debentures are issued (the "Maturity Date") which will bear interest at a rate of 13.0% (the "Interest") accruing annually and paid semi-annually in cash or common shares (the "Shares") of the Company, at the election of the Company (with the number of Shares to be issued being equal to the amount of outstanding interest divided by the closing price of the Company's Shares on the business day prior to the Interest payment date, subject to a minimum price of $0.80 per Share), and (ii) 625 transferable common share purchase warrants (the "Warrants"). Each Warrant entitles the holder (the "Holder") to purchase one additional Share of the Company (a "Warrant Share") at an exercise price of $2.00 per Warrant Share for 36 months from the closing date of the Private Placement. At or prior to the Maturity Date, the Principal of the Convertible Debentures may be converted at the option of the Holder into Shares of the Company at a deemed price and conversion rate of $0.80 per Share.

(Expressed in Canadian dollars)

13. CONVERTIBLE DEBENTURE (continued)

As the convertible debentures each contain a liability component and an equity component, the Company has split the proceeds of the secured convertible debentures and have presented the two components separately in the statement of financial position. The Company has calculated the initial fair value of the liability component as $198,000, using a discount rate of 13%. The fair value of the equity component of $Nil was calculated by deducting the fair value of the liability component from the total fair value of the convertible debentures.

As at June 30, 2023, the Company had convertible debentures issued and outstanding as follows:

	$
Balance, September 30, 2022	-
Issuance of convertible debentures	198,000
Less: fair value of conversion option	-
Add: interest accretion	-
Balance, June 30, 2023	198,000

14. EQUITY INSTRUMENTS

Share Capital

Authorized:
Unlimited number of Common shares without par value.
Unlimited number of Preferred shares without par value.

Issued: On June 06, 2023, the Company consolidated its common shares on the bases of one post-consolidation common share for every 10 pre-consolidation common shares. All share figures and references have been retrospectively adjusted.

During the year ended September 30, 2022, the Company issued a total of 871,673 common shares:

a. On October 4, 2021, the Company issued 1,800 common shares of the Company for past services provided by a Consultant. The fair value of the shares was estimated based on the quoted market price of the Company's shares which resulted in fair value of $34,552.

b. On November 25, 2021, the Company completed a non-brokered private placement whereby it issued 76,898 units at a price of $15.60 per unit for gross proceeds of $1,199,602. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole Warrant entitles the holder to purchase one additional share of the Company at a price of $24.00 per share for a period of 24 months from the date of issuance. The Company paid finder's fees of $68,502 and 4,391 finder's warrants to certain registered dealers. The finder's warrants are exercisable at $15.60 per finder's warrant for a period of 12 months from the date of issuance.

c. On February 2, 2022, the Company issued 13,875 common shares of the Company to settle past services fees owing to a Consultant. The fair value of the shares was estimated based on the quoted market price of the Company's shares which resulted in fair value of $76,314.

d. On March 1, 2022, the Company completed the first tranche of a non-brokered private placement whereby it issued 598,000 units at a price of $5.00 per unit for gross proceeds of $2,990,000. Each unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant entitles the holder to purchase one additional share of the Company, at a price of $6.20 per share for a period of 24 months from the date of issuance. The Company paid finder's fees of $55,620 and 11,124 finder's warrants to certain registered dealers. The finder's warrants are exercisable at $5.00

14. EQUITY INSTRUMENTS (continued)

Share Capital (continued)

During the year ended September 30, 2022, the Company issued a total of 871,673 common shares: (continued)

per finder's warrant for a period of 24 months from the date of issuance.

e. On March 9, 2022, the Company completed the final tranche of its non-brokered private placement whereby it issued an additional 77,100 units at a price of $5.00 per unit for an additional gross proceeds of $385,500. Each unit is comprised of one common and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company, at a price of $6.20 per share for a period of 24 months from the date of issuance. The Company paid finder's fees of $14,130 and 2,260 finder's warrants to certain registered dealer. The finder's warrants are exercisable at $5.00 per finder's warrant for a period of 24 months from the date of issuance.

f. On August 30, 2022, the Company issued 50,000 common shares of the Company as payment for the set-up for a loan owing to the lender, a company wholly owned by the CEO of the Company. The fair value of the shares was estimated based on the quoted market price of the Company's shares which resulted in fair value of $87,500 (Note 10).

During the nine months ended June 30, 2023, the Company issued a total of 5,947,085 common shares:

a. On October 28, 2022, the Company closed the first tranche of a non-brokered private placement whereby it issued 777,750 units at a price of $0.80 per unit raising gross proceeds of $622,200. Each unit is comprised of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $2.00 per share for a period of 36 months from the date of issuance. The Company paid finder's fees of $10,656 and 13,320 finder's warrants to certain registered dealer. The finder's warrants are non-transferable and exercisable at $0.80 per finder's warrant for a period of 12 months from the date of issuance.

b. On November 28, 2022, the Company closed the second tranche of a non-brokered private placement issuing an additional total of 281,250 units at a price of $0.80 per unit raising additional gross proceeds of $225,000. Each unit is comprised of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $2.00 per share for a period of 36 months from the date of issuance. Brady Pyatt, CEO and a director of the Company, subscribed for 156,250 units through his corporation, Tasty Idea LLC.

c. On December 8, 2022, the Company issued 56,500 common shares to settle $79,100 in debt for past consulting services provided to the Company.

d. On December 16, 2022, the Company closed the final tranche of a non-brokered private placement issuing additional 93,750 units at a price of $0.80 per unit raising additional proceeds of $75,000. Each unit is comprised of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $2.00 per share for a period of 36 months from the date of issuance.

e. On December 30, 2022, the Company issued an aggregate of 524,565 common shares to settle $472,108 in debt for past management and consulting services provided to the Company. Brad Pyatt, CEO and a director of the Company received 185,746 shares, Brian Cavanaugh, a director of the Company received 225,777 shares and Mark Miller, former CFO of the Company received 113,042 shares. On February 10, 2023, the Company cancelled 225,777 shares issued to Mr. Cavanaugh at his

14. EQUITY INSTRUMENTS (continued)

During the nine months ended June 30, 2023, the Company issued a total of 5,947,085 common shares: (continued)

own request.

f. On February 9, 2023, the Company issued 83,333 common shares with a fair value of $66,666 to settle $75,000 in debt for past consulting services provided to the Company.

g. On April 11, 2023, the Company closed its announced business combination with 1402105 B.C. Ltd., doing business as BeeImmune, pursuant to a definitive business combination agreement dated March 27, 2023, with BeeImmune and 1406733 B.C. Ltd. (Subco), a wholly owned subsidiary of the Company, pursuant to which the Company has acquired all of the issued and outstanding shares of BeeImmune and issued 4,285,714 common shares to BeeImmune with fair value of $3,857,143 which was determined to be $0.90 per share using the market price at acquisition date.

h. On April 14, 2023, the Company issued 70,000 common shares for exercise of options for gross proceeds of $66,500.

Stock option plan and stock-based compensation

Under the Company's current Stock Option Plan (the "Plan"), the Company may grant stock options to the Company's directors, officers, employees, and consultants, or a corporation wholly owned by such directors, officers, employees, and consultants. The aggregate number of shares reserved for issuance under the Plan is up to 15% of the number of outstanding common shares, which was 8,139,792 as at June 30, 2023. The exercise price of options granted is subject to a minimum price of $2.00 per share and must meet or exceed the closing market price of the shares on the trading day immediately preceding the grant of the option.

On April 26, 2022, the Company granted an aggregate of 30,313 incentive stock options to certain consultants and an employee of the Company at an exercise price of $6.30 per common share for two years.

On June 3, 2022, the Company granted an aggregate of 200,000 incentive stock options to a consultant of the Company at an exercise price of $2.20 per common share for two years.

On January 13, 2023, the Company granted an aggregate of 532,500 incentive stock options to directors, officers and consultants of the Company at an exercise price of $0.95 per common share for a period of three years.

(Expressed in Canadian dollars)

14. EQUITY INSTRUMENTS (continued)

Stock option plan and stock-based compensation (continued)

The continuity of the Company's stock options is as follows:

	Number of Stock Options	Weighted Average Exercise Price
		($)
Balance, September 30, 2021	**286,583**	**19.90**
Issuance	230,313	2.70
Cancelled options	(235,417)	(19.50)
Balance, September 30, 2022	**281,479**	**6.20**
Issuance	532,500	0.95
Exercised options	(70,000)	(0.95)
Expired options	(43,333)	(23.80)
Balance, June 30, 2023	**700,646**	**1.66**

The following table summarizes the stock options outstanding and exercisable as at June 30, 2023:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life
		($)		(in years)
7,833*	7,833	12.00	30-Mar-25	1.75
30,313**	30,313	6.30	3-Aug-24	1.10
200,000**	200,000	2.20	26-Apr-24	0.82
462,500***	430,503	0.95	3-Jun-24	0.93
700,646	**668,649**	**1.66**		**1.09**

*Options granted hereby shall become vested and can be exercised in accordance with the plan, and for greater certainty as follows: 1/36 of each such Option granted shall vest and become exercisable on a cumulative monthly basis commencing on the date that the Option is granted, for three years until all such Options have become fully vested.
**Vested immediately.
***Options vest as to (i) 1/3 of the Options shall vest immediately on the date of grant, (ii) 1/3 of the Options shall vest on the date that is four months from the date of grant, and (iii) 1/3 of the Options shall vest on the date that is eight months from the date of grant..

The fair value of these options was determined using the Black-Scholes option-pricing model under the following assumptions:

Number of Options Outstanding	Risk-free interest rate	Expected volatility [1]	Dividend yield	Expected life	Share price	Exercise price
7,833	0.78%	244%	Nil	5.00	2.0	2.0
30,313	0.78%	244%	Nil	2.00	6.3	6.3
200,000	0.79%	248%	Nil	2.00	2.2	2.2
462,500	3.83%	177%	Nil	3.00	1.0	1.0

[1] Expected volatility is based on historical volatility.

14. EQUITY INSTRUMENTS (continued)

Stock option plan and stock-based compensation (continued)

During the period ended June 30, 2023, the Company recognized share-based compensation costs totaling $415,229 (2022 - $722,880) in relation to option grants. The share-based compensation expense related to the options issued to directors and officers of the Company is $415,229 (2022 - $157,304)

Warrants

In connection with the November 25, 2021, private placement the Company issued 38,449 warrants with an exercise price of $24.00 per warrant and 4,391 with an exercise price of $15.60 per warrant. These warrants were assigned an estimated fair value of $337,124 and $28,215, respectively, assigned to the warrants using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 194% and 133%, a risk-free interest rate of 104%, share price of $13.80 an expected maturity of 2 and 1 years, respectively.

In connection with the March 1, 2022, private placement the Company issued 598,000 warrants with an exercise price of $6.20 per warrant and 11,124 with an exercise price of $5.00 per warrant. These warrants were assigned an estimated fair value of $1,336,865 and $56,225, respectively, assigned to the warrants using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 184% a risk-free interest rate of 137%, share price of $6.10 an expected maturity of 2 years.

In connection with the March 9, 2022, private placement the Company issued 77,100 warrants with an exercise price of $6.20 per warrant and 2,826 with an exercise price of $5.00 per warrant. These warrants were assigned an estimated fair value of $172,556 and $14,780, respectively, assigned to the warrants using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 184% a risk-free interest rate of 136%, share price of $6.30 an expected maturity of 2 years.

On August 3, 2022, the Company issued a total of 500,000 performance warrants to its primary customer, GNC Ventures (“GNC”). Each performance warrant entitles the holder to purchase one common share of the Company at a price of $2.30 for a period of 5 years from the date of issuance. The performance warrants will only become exercisable upon the achievement of certain milestones (with 105,000 of the performance warrants being exercisable upon the Company having received US$1,500,000 in total purchases from GNC during calendar 2022, 185,000 of the performance warrants being exercisable upon the Company having received US$3,000,000 in total purchases from GNC during calendar 2023 and 210,000 of the performance warrants being exercisable upon the Company having received US$4,000,000 in total purchases from GNC during calendar 2024).

In connection with the October 28, 2022 private placement, the Company issued 388,875 warrants with an exercise price of $2.00 per warrant and 13,320 finder’s warrants with an exercise price of $0.80 per finder’s warrant.

In connection with the November 28, 2022 private placement, the Company issued 140,625 warrants with an exercise price of $2.00 per warrant.

In connection with the December 16, 2022 private placement, the Company issued 46,875 warrants with an exercise price of $2.00 per warrant.

In connection with the January 31, 2023 convertible debentures private placement, the Company issued 625 warrants with an exercise price of $2.00 per warrant.

(Expressed in Canadian dollars)

14. EQUITY INSTRUMENTS (continued)

Warrants (continued)

For the period ended June 30, 2023, none of the milestones were achieved and therefore none of the performance warrants have vested as at June 30, 2023.

The continuity of the Company's share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
		($)
Balance, September 30, 2021	**100,000**	**24.00**
Issuance	1,231,890	5.20
Balance, September 30, 2022	**1,331,890**	**6.60**
Issuance	590,320	2.00
Expired	(104,391)	24.00
Balance, June 30, 2023	**1,817,819**	**4.12**

The following table summarizes the stock options outstanding and exercisable as at June 30, 2023:

Number of Outstanding Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
	($)		(in years)
38,449	24.0	November 25, 2023	0.41
598,000	6.20	March 1, 2024	0.67
11,124	5.00	March 1, 2024	0.67
77,100	6.20	March 9, 2024	0.69
2,826	5.00	March 9, 2024	0.69
500,000	2.30	August 9, 2027	4.11
388,875	2.00	October 28, 2025	2.33
13,320	0.80	October 28, 2023	0.33
140,625	2.00	November 28, 2025	2.42
46,875	2.00	December 16, 2025	2.47
625	2.00	January 31, 2026	2.59
1,817,819	**4.12**		**2.15**

15. CAPITAL MANAGEMENT

The Company considers its capital resources to be the shareholders' equity, comprising share capital, contributed surplus, warrants, and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, to support the acquisition and development of its business. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain the future development of the business.

The Company is primarily dependent on external financing to fund its activities. To carry out the planned business development and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

15. CAPITAL MANAGEMENT (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended June 30, 2023 and the year ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, trade receivable, accounts payable, and accrued liabilities, due to shareholder, lease liability, royalty liability, and secured loan.

The fair value of cash, trade receivable, accounts payable, and accrued liabilities, due to shareholder, lease liability, royalty payable approximate their book values because of the short-term nature of these instruments. The fair value of the secured loan approximates its carrying value as it is recorded at market rates.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes.

Credit risk

The Company's credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's accounts receivables are exposed to credit risk which the Company manages by performing credit assessments of customers and provides allowances for uncollectible accounts receivable.

Accounts receivable are past due when a customer fails to make a payment when contractually due. The following is an aging of accounts receivable past due but not impaired as of June 30, 2023. No provisions have been recorded in relation to any of the receivables in the table below.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial Instrument Risk Exposure (continued)

Market risk

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

Interest rate risk

The Company is not exposed to interest rate risk. The Company does not have significant variable interest-bearing assets or liabilities that are tied into market rates.

Currency risk

As the Company operates on an international basis, foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign currency risk arises primarily with respect to the United States Dollar. Fluctuations in the exchange rates between the United States Dollar and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at June 30, 2023, the Company had the following financial assets and liabilities denominated in foreign currency presented below in Canadian dollars:

	US Dollars ($)
Cash	49,247
Receivables	12,132
Prepaids	278,375
Accounts payable and accrued liabilities	(1,298,743)
Total	(958,989)
Effect of +/- 10% change in exchange rate	(95,899)

Liquidity risk

The Company's approach to managing liquidity risk is to have sufficient liquid capital to meet its current liabilities as they come due. On June 30, 2023, the Company had a working capital deficit of $2,942,190 (September 30, 2022 - $2,966,534).

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities.

	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**Older**
Accounts payable and accrued liabilities	$2,526,142	-	-	-
Lease liability	$260,027	$397,221	$409,138	$1,606,495
Secured loan	$673,397	-	-	-
Royalty agreement	$238,520	-	-	-
Total	$3,698,086	$397,221	$409,138	$1,606,495

(Expressed in Canadian dollars)

17. OPERATING SEGMENTS

Revenue is attributed to geographical locations based on the origin of customers' location.

	Nine months ended	
	June 30, 2023	June 30, 2022
	($)	($)
Canada	Nil	Nil
United States	58,369	528,317
	58,369	528,317

The Company's property plant and equipment located in Canada are in the amount of $7,780 (September 30, 2022 - $9,580) and the property plant and equipment located in the United States of America are in the amount of $Nil (September 30, 2022 - $Nil).

The Company's intangible assets located in Canada are in the amount of $3,857,143 (September 30, 2022 - $Nil) and the intangible assets located in the United States of America are in the amount of $3,857,143 (September 30, 2022 - $Nil).

18. COMMITMENTS AND CONTINGENCIES

The Company has an existing lease from 2020 for its head office, and it entered into a new lease during the year for its Colorado office. Both leases are classified as operating leases.

The future minimum lease payments at June 30, 2023 are as follows:

Year	Amount ($)
2023	409,633
2024	397,221
2025	409,138
2026	421,412
2027	434,054
2028	447,076
2029	303,953
Total	**2,822,487**

The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations. Several former employees of the Company have filed suit for wrongful dismissal. The Company believes the allegations are without merit and the Company intends to vigorously defend itself against these claims which total $280,000. The claimants have proceeded with their claims to arbitration. Due to the outcome of the claims being unknown and not measurable, no contingent liability has been recorded in the consolidated financial statements.

19. SUBSEQUENT EVENT

On July 07, 2023, the Company closed its previously announced debt settlement agreement dated June 28, 2023. The Company issued a total of 8,339,149 common shares to settle the debt of which 3,592,011 common shares is issued to director of the Company for an aggregate amount of $179,601. The Company settled an aggregate amount of $416,957 of debt owed to the debtors for outstanding fees in the Company.