



Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended August 31, 2022 and 2021
(Unaudited)

(Expressed in Canadian Dollars)

NOTICE TO READER

The accompanying condensed interim consolidated financial statements of Better Plant Sciences Inc. (“the Company”) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”). Management acknowledges responsibility for the preparation and presentation of the condensed interim consolidated financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances. These unaudited condensed interim consolidated financial statements have not been reviewed by the Company’s independent auditor.

BETTER PLANT SCIENCES INC.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	August 31, 2022	November 30, 2021
ASSETS		
Current assets		
Cash	\$ 29,191	\$ 24,562
Marketable securities (Note 3)	86,177	550,998
Amounts receivable (Note 4)	13,839	113,153
Net investment in sublease (Note 7)	67,894	-
Inventory (Note 5)	-	207,799
Prepaid expenses and deposits	10,580	161,395
Total current assets	<u>207,681</u>	<u>1,057,907</u>
Non-current assets		
Investment in associates (Note 6)	1,301,185	1,852,808
Deposits	-	57,500
Due from related parties (Note 11)	113,001	27,295
Right-of-use asset (Note 7)	-	253,055
Equipment (Note 8)	14,540	106,616
Total non-current assets	<u>1,428,726</u>	<u>2,297,274</u>
Total assets	<u>\$ 1,636,407</u>	<u>\$ 3,355,181</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 929,082	\$ 785,475
Deferred revenue and deposits (Notes 9 and 11)	105,107	77,772
Convertible debentures interest payable (Note 10)	67,562	-
Lease liabilities (Note 7)	51,219	119,024
Total current liabilities	<u>1,152,970</u>	<u>982,271</u>
Non-current liabilities		
Loans payable	113,808	101,019
Due to related parties (Note 11)	112,504	8,346
Convertible debentures (Note 10)	738,992	627,614
Lease liabilities (Note 7)	-	184,213
Total non-current liabilities	<u>965,304</u>	<u>921,192</u>
Total liabilities	<u>2,118,274</u>	<u>1,903,463</u>
SHAREHOLDERS' EQUITY		
Share capital (Notes 2 and 12)	28,560,928	28,560,928
Equity reserves	10,820,449	10,768,338
Shares issuable (Note 15)	-	31,420
Reserve for convertible debentures (Note 10)	34,041	34,041
Accumulated other comprehensive income	-	(18,387)
Deficit (Note 2)	(39,897,285)	(37,924,622)
Total shareholders' equity (deficit)	<u>(481,867)</u>	<u>1,451,718</u>
Total liabilities and shareholders' equity (deficit)	<u>\$ 1,636,407</u>	<u>\$ 3,355,181</u>

Nature of operations and continuance of business (Note 1)
Commitments and contingencies (Note 23)
Subsequent event (Note 24)

Approved and authorized for issuance on behalf of the Board of Directors on October 31, 2022:

/ "Bruce Mullen"
Director

/s/ "Cole Drezdoff"
Director

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

BETTER PLANT SCIENCES INC.

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three months ended August 31,		Nine months ended August 31,	
	2022	2021	2022	2021
REVENUE				
Consulting (Note 11)	\$ 100,253	\$ 195,251	\$ 409,289	\$ 591,164
COST OF REVENUES				
Cost of consulting services	80,966	130,536	230,904	436,954
Gross profit	19,287	64,715	178,385	154,210
EXPENSES				
Advertising, marketing, and media	44,684	97,480	139,874	704,295
Amortization and depreciation (Notes 7 and 8)	10,891	24,815	60,424	77,939
Consulting fees (Note 11)	35,549	122,076	189,332	409,650
Investor relations	2,000	18,137	2,000	60,637
Listing fees	2,000	3,000	12,210	14,252
Office and administrative	30,173	48,955	123,282	147,719
Professional fees	10,028	75,806	105,777	210,258
Share-based compensation (Note 14)	2,640	(23,029)	52,111	964,291
Wages	13,208	190,975	262,301	293,853
Total expenses	151,173	558,215	947,311	2,882,894
Net loss before other items	(131,886)	(493,500)	(768,926)	(2,728,684)
OTHER ITEMS				
Investment loss (Note 18)	(68,828)	(385,926)	(682,404)	(1,507,519)
Other income (expenses) (Note 19)	13,368	(10,432)	(109,536)	3,675,999
Total other items	(55,460)	(396,358)	(791,940)	2,168,480
NET LOSS FROM CONTINUING OPERATIONS	(187,346)	(889,858)	(1,560,866)	(560,204)
LOSS FROM DISCONTINUED OPERATIONS (NOTE 22)	(37,008)	(721,379)	(411,797)	(1,234,815)
NET LOSS FOR THE PERIOD	(224,354)	(1,611,237)	(1,972,663)	(1,795,019)
OTHER COMPREHENSIVE LOSS				
Unrealized foreign exchange gain (loss)	-	(314)	-	(349)
Comprehensive loss for the period	\$ (224,354)	\$ (1,611,551)	\$ (1,972,663)	\$ (1,795,368)
Net loss attributable to:				
Shareholders of the Company	\$ (224,354)	\$ (1,611,237)	\$ (1,972,663)	\$ (1,596,042)
Non-controlling interest (Note 16)	-	-	-	(198,977)
Net loss for the period	\$ (224,354)	\$ (1,611,237)	\$ (1,972,663)	\$ (1,795,019)
Comprehensive loss attributable to:				
Shareholders of the Company	\$ (224,354)	\$ (1,611,551)	\$ (1,972,663)	\$ (1,596,391)
Non-controlling interest (Note 16)	-	-	-	(198,977)
Comprehensive loss for the period	\$ (224,354)	\$ (1,611,551)	\$ (1,972,663)	\$ (1,795,368)
LOSS PER SHARE ATTRIBUTABLE TO BETTER PLANT SCIENCES INC. SHAREHOLDERS	\$ (0.01)	\$ (0.08)	\$ (0.10)	\$ (0.09)
Weighted average shares outstanding	19,917,970	19,496,121	19,917,970	19,089,976

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

BETTER PLANT SCIENCES INC.

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital		Special warrants reserve	Equity reserves	Shares issuable	Subscriptions received	Reserve for convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Non-controlling interest	Total shareholders' equity (deficit)
	Number of shares	Amount									
BALANCE, NOVEMBER 30, 2020											
Restated (Note 2)	17,847,325	\$26,995,229	\$ -	\$10,075,067	\$ 31,420	\$ 50,000	\$ -	\$ 642	\$(33,324,220)	\$(548,080)	\$ 3,280,058
Special warrant units issued for cash	-	-	126,250	-	-	(50,000)	-	-	-	-	76,250
Shares issued on conversion of special warrants	261,364	143,750	(143,750)	-	-	-	-	-	-	-	-
Shares issued on exercise of stock options	40,000	69,271	-	(29,271)	-	-	-	-	-	-	40,000
Shares issued on exercise of warrants	1,014,056	861,192	-	(34,850)	-	-	-	-	-	-	826,342
Units issued for advertising services	50,000	60,000	-	-	-	-	-	-	-	-	60,000
Shares issued to settle accounts payable	234,463	216,593	-	-	-	-	-	-	-	-	216,593
Units issued to settle accounts payable	93,750	64,088	-	-	-	-	-	-	-	-	64,088
Special warrants issued to settle accounts payable	-	-	17,500	-	-	-	-	-	-	-	17,500
Convertible debentures issued for cash	-	-	-	108,635	-	-	34,041	-	-	-	142,676
Fair value of stock options granted	-	-	-	964,291	-	-	-	-	-	-	964,291
Unrealized foreign exchange loss	-	-	-	-	-	-	-	349	-	-	349
Net loss for the period	-	-	-	-	-	-	-	-	(1,596,042)	(198,977)	(1,795,019)
Loss of control of subsidiary	-	(959,141)	-	(378,250)	-	-	-	-	1,241,140	747,057	650,806
BALANCE, AUGUST 31, 2021	19,540,958	\$27,450,982	\$ -	\$10,705,622	\$ 31,420	\$ -	\$ 34,041	\$ 991	\$(33,679,122)	\$ -	\$ 4,543,934
BALANCE, NOVEMBER 30, 2021	19,917,970	\$28,560,928	\$ -	\$10,768,338	\$ 31,420	\$ -	\$ 34,041	\$ (18,387)	\$(37,924,622)	\$ -	\$ 1,451,718
Derecognition upon sale of Jusu (Note 15)	-	-	-	-	(31,420)	-	-	-	-	-	(31,420)
Fair value of stock options granted	-	-	-	52,111	-	-	-	-	-	-	52,111
Realized foreign exchange loss	-	-	-	-	-	-	-	18,387	-	-	18,387
Net loss for the period	-	-	-	-	-	-	-	-	(1,972,663)	-	(1,972,663)
BALANCE, AUGUST 31, 2022	19,917,970	\$28,560,928	\$ -	\$10,820,449	\$ -	\$ -	\$ 34,041	\$ -	\$(39,897,285)	\$ -	\$ (481,867)

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

BETTER PLANT SCIENCES INC.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine months ended August 31,	
	2022	2021
OPERATING ACTIVITIES		
Net loss from continuing operations	\$ (1,560,866)	\$ (560,204)
Items not involving cash:		
Accretion on convertible debentures	111,378	–
Amortization and depreciation	60,425	77,939
Bad debt expense	18,571	–
Dilution gain on equity accounted investees	(17,173)	–
Gain on loss of control and disposal of subsidiary	(10,321)	(3,680,166)
Gain on sale of equity accounted investee	(130,000)	(9,925)
(Gain) loss on sale of marketable securities	(43,924)	3,665
Gain on settlement of accounts payable	(62,638)	(11,510)
Gain on sublease agreement	(46,282)	–
Gain on reclassification of investment	–	(366,230)
Grant income on government loans	–	(19,457)
Interest expense on convertible debentures	67,562	–
Interest expense on government loans	6,394	7,999
Interest expense on lease liability	10,166	18,872
Interest income on sublease	(1,028)	–
Loss on disposal of assets	14,025	–
Share of net loss of equity accounted investee	548,796	1,882,614
Share-based compensation	52,111	964,291
Unrealized loss (gain) on marketable securities	324,705	(2,605)
Changes in non-cash operating working capital:		
Accounts receivable	(7,608)	5,403
Sublease payments received	20,446	–
Prepaid expenses and other deposits	174,977	(7,703)
Due from related parties	(85,706)	115,185
Accounts payable and accrued liabilities	250,538	1,034,066
Due to related parties	106,940	70,418
Deferred revenue	30,276	70,000
Net cash used in operating activities – continuing operations	(168,236)	(407,348)
Net cash used in operating activities – discontinued operations	(86,027)	(853,297)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	184,040	49,035
Proceeds from sale of equipment	1,200	–
Proceeds from sale of equity accounted investee	150,000	18,174
Purchase of equipment	–	(3,696)
Net cash provided by investing activities – continuing operations	335,240	65,513
Net cash provided by investing activities – discontinued operations	6,588	–
FINANCING ACTIVITIES		
Lease payments	(69,411)	(69,411)
Proceeds from government loans	–	20,000
Proceeds from exercise of stock options	–	40,000
Proceeds from exercise of warrants	–	826,342
Proceeds from issuance of convertible debentures (net of issuance costs)	–	733,160
Proceeds from issuance of special warrants (net of issuance costs)	–	76,250
Net cash provided by (used in) financing activities – continuing operations	(69,411)	1,626,341
Net cash used in financing activities – discontinued operations	(31,912)	(13,889)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	18,387	384
CHANGE IN CASH	4,629	415,704
Cash, beginning of period	24,562	181,293
CASH, END OF PERIOD	\$ 29,191	\$ 596,997
Supplemental disclosures (Note 20)		

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

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended August 31, 2022 and 2021
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Better Plant Sciences Inc. ("Better Plant" or the "Company") was incorporated under the laws of the province of British Columbia, Canada, on November 28, 2014 as 1020439 BC Ltd. On August 18, 2020, the Company changed its name to Better Plant Sciences Inc. The Company provides marketing and other business services. The head office of the Company is located at Unit 1 - 2770 Fraser Street, Vancouver, British Columbia, Canada.

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future.

The Company has incurred a net loss from continuing operations of \$1,560,866 and used \$168,236 of cash for operating activities from continuing operations during the nine months ended August 31, 2022. As at August 31, 2022, the Company had working capital deficiency of \$945,289 including cash of \$29,191 and had an accumulated deficit of \$39,897,285. The Company had limited cash reserves at August 31, 2022, and currently relies on issuing new debt and equity instruments to fund its operations until the growth in its business generates sufficient cash flow from operations. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. The terms of any future debt or equity issuance may be at terms that are unfavourable to the Company. These factors, among others, could have a significant impact on the Company's operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and the consolidated statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. These adjustments could be material.

The outbreak of the coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company and is working on alternative measures and resources to minimize such impact. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time our business, liquidity, capital resources and financial results.

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended August 31, 2022 and 2021
(Expressed in Canadian Dollars)

1. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretations Committee. These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ended November 30, 2021, which include the Company’s significant accounting policies, and have been prepared in accordance with the same methods of application.

(b) Basis of Presentation and Principles of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries, including 100% owned subsidiary Metaverse Holdings Inc. (“Metaverse Holdings”) (previously Urban Juve Provisions Inc. (“Urban Juve”) amalgamated with 100% owned subsidiary Jusu Bars Corp. (“Jusu Bars”), 100% owned subsidiary 1233392 B.C. Ltd. (formerly Jack n Jane Essentials Inc.) and formerly owned subsidiaries Jusu Wellness Inc. (“Jusu Wellness”) until the date of sale on April 20, 2022, Yield Botanicals Inc. (“Yield Botanicals”) until the date of windup on November 30, 2021, Wright & Well Essentials Inc. (“Wright & Well”) until the date of sale on November 30, 2021, W & W Manufacturing Inc. (“W&W Manufacturing”) until the date of dissolution on February 14, 2022, and UJ Asia Limited (“UJ Asia”) until the date of dissolution on December 15, 2020 for the three and nine months ended August 31, 2022 and 2021. All intercompany balances and transactions have been eliminated on consolidation.

On December 30, 2020, the Company’s ownership in NeonMind was significantly reduced from its previous interest of 50.1%, resulting in the deconsolidation of NeonMind on the condensed interim consolidated financial statement as it is no longer considered a subsidiary in accordance with *IFRS 10, Consolidated Financial Statements* (Notes 6 and 15).

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

In the opinion of the Company’s management, all adjustments considered necessary for a fair presentation have been included.

(c) Significant Accounting Estimates and Judgments

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended August 31, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(c) Significant Accounting Estimates and Judgments (continued)

Significant areas requiring the use of estimates include:

- impairment of inventory
- useful lives and carrying values of equipment and intangible assets
- impairment of investments in associates and marketable securities
- deferred revenue
- fair value of share-based compensation
- measurement of unrecognized deferred income tax assets

Significant judgments made by management in the application of IFRS that have a significant effect on the condensed interim consolidated financial statements include the following:

Going concern

The factors that are used in determining the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to 12 months from the year end of the reporting period.

Incremental borrowing rate

Judgment was used to determine the incremental borrowing rate for lease liabilities under IFRS 16. The incremental borrowing rate applied to the lease liabilities was 16%. The rate was estimated based on the Company's ability to source debt financing to fund its operations.

Fair value of investments in private companies

The fair value of shares and warrants held in private companies is determined by valuation techniques such as recent arm's-length transactions, option pricing models, or other valuation techniques commonly used by market participants. The investments in common shares and warrants are measured at fair value through profit or loss and the change in fair value is recorded in the consolidated statement of operations.

(d) Reclassification of Prior Year Presentation

This restatement has no effects to the consolidated statements of loss and comprehensive loss and consolidated statement of cashflows for the year ended November 30, 2020.

	Original	Restatement	Restated
	November 30, 2020		November 30, 2020
Share capital	\$ 27,954,370	\$ (959,141)	\$ 26,995,229
Deficit	(34,283,361)	959,141	(33,324,220)

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended August 31, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(d) Reclassification of Prior Year Presentation (continued)

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no material effect on the statement of financial position or the reported results of operations. An adjustment has been made to the condensed interim consolidated statements of operations and comprehensive loss to combine information systems with office and administrative expenses, to separate out selling expenses from office and administrative expenses, and to reclassify interest and accretion from office and administrative expenses to a separate line item under other items.

	Original August 31, 2021	Reclassification	Reclassified August 31, 2021
Continuing operations:			
Information systems	\$ 1,700	\$ (1,700)	\$ -
Office and administrative	169,205	(21,486)	147,719
Interest and accretion	-	23,186	23,186
Discontinued operations:			
Office and administrative	423,433	(329,098)	94,335
Selling expenses	-	304,272	304,272
Interest and accretion	-	24,826	24,826

(e) Future Accounting Pronouncements

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are not mandatory for the current period and have not been early adopted.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also defines a 'settlement' as the transfer to the counterparty of cash, equity instruments, other assets or services. In July 2020, due to the COVID-19 pandemic, the IASB deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from these amendments. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The implementation of these amendments is not expected to have a significant impact on the Company.

Management has assessed that there are no other future accounting pronouncements that are expected to have a material impact on the Company's financial statements in the current or future reporting periods.

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended August 31, 2022 and 2021
(Expressed in Canadian Dollars)

3. Marketable Securities and Investments

Below is a summary of the Company's marketable securities and investments as of August 31, 2022 and 2021:

	Nov. 30, 2021	Expiry of warrants	Proceeds from sale	Realized gain on sale	Unrealized gain (loss)	August 31, 2022 fair value
Komo YUM						
Shares	\$550,782	\$ –	\$(184,040)	\$44,140	\$(324,705)	\$ 86,177
Warrants	216	(216)	–	–	–	–
Total	\$550,998	\$ (216)	\$(184,040)	\$44,140	\$(324,705)	\$ 86,177

	Nov. 30, 2020	Additions	Proceeds from sale	Realized gain on sale	Unrealized gain (loss)	August 31, 2021 fair value
Komo YUM						
Shares	\$14,781	\$491,667	\$(49,035)	\$(3,665)	\$ 3,696	\$ 457,444
Warrants	1,134	–	–	–	(1,091)	43
Total	\$15,915	\$491,667	\$(49,035)	\$(3,665)	\$ 2,605	\$ 457,487

Marketable Securities

Komo Plant Based Foods Inc. ("Komo YUM") (formerly Fasttask Technologies Inc.)

On December 7, 2020, Komo YUM effected a 5-for-1 consolidation of its issued and outstanding common shares. All common share amounts have been retroactively restated for the share consolidation.

During prior years, the Company received a total of 234,769 units of Komo YUM, with each unit comprised of one common share and one share purchase warrant. Of the warrants, 200,000 expired unexercised during the year ended November 30, 2020, and the remaining 34,769 expired unexercised during the nine months ended August 31, 2022.

On May 31, 2021, Komo Plant Based Comfort Foods Inc. ("Komo Foods") entered into a merger agreement with Komo YUM whereby Komo Foods became a wholly owned subsidiary of Komo YUM and all Komo Foods shares were exchanged 1-to-1 for Komo YUM shares. The transaction was deemed as a reverse acquisition under IFRS 3 *Business Combinations*. Komo YUM shares started trading on the Canadian Securities Exchange ("CSE") on June 8, 2021.

The Company's investment in Komo Foods was previously accounted for as an Investment in Associate (Note 6). As a result of the merger, the Company's holdings of 4,916,666 shares of Komo Foods were exchanged for 4,916,666 shares of Komo YUM. Management performed an analysis to determine whether significant influence over Komo YUM remained after the merger. Management concluded that the Company no longer has significant influence over Komo YUM as its ownership decreased to 6% of the outstanding shares at May 31, 2021, the date of the merger. In addition to the decreased ownership, the Company does not have sufficient representation on the board of directors, having only one common director between the Company and Komo YUM. For the year ended November 30, 2021, the Company's ownership of Komo YUM shares was accounted for as marketable securities.

During the nine months ended August 31, 2022, the Company disposed of 1,399,000 (2021 – 0) shares of Komo YUM with a cost of \$139,900 (2021 - \$nil) for proceeds of \$184,000 (2021 - \$nil), resulting in a realized gain on sale of \$44,140 (2021 – \$nil). As at August 31, 2022, the Company holds 2,154,435 shares (November 30, 2021 – 3,553,435) of Komo YUM and no share purchase warrants (November 30, 2021 – 34,769).

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended August 31, 2022 and 2021
(Expressed in Canadian Dollars)

4. Accounts Receivable

	August 31, 2022	November 30, 2021
Trade accounts receivable	\$ -	\$ 34,730
Other receivables	13,839	86,196
Allowance for doubtful accounts	-	(7,773)
Total accounts receivable	<u>\$ 13,839</u>	<u>\$ 113,153</u>

The balance of other receivables includes GST receivable and accrued receivables.

5. Inventory

	August 31, 2022	November 30, 2021
Finished goods	\$ -	\$ 94,962
Packaging and raw materials	-	112,837
	<u>\$ -</u>	<u>\$ 207,799</u>

During the nine months ended August 31, 2022, the Company wrote down the value of inventory by \$81,778 (August 31, 2021 - \$31,052) to its net realizable value and sold inventory with a book value of \$118,565 to the Purchaser of Jusu Wellness (Note 22). On December 30, 2020, the Company deconsolidated its former subsidiary, NeonMind, which resulted in a decrease in inventory of \$25,264 on the consolidated statement of financial position at November 30, 2021.

6. Investment in Associates

Komo Plant Based Comfort Foods Inc. ("Komo Foods") (formerly Kingdom Brands Inc.)

Komo Foods is a plant-based food company engaged in the development, production, marketing, and distribution of a variety of plant-based frozen meals. On December 1, 2020, Komo Foods entered into a 1-for-4 reverse stock split of its issued and outstanding common shares. All common share amounts have been retroactively restated for the reverse stock split.

In prior periods, the Company entered into two licensing agreements with Komo Foods and Komo Foods' subsidiary, Kingdom Brands Management Inc. ("Kingdom Management"). As consideration for the licensing agreements, the Company received a total of 4,500,000 shares of Komo Foods with a fair value of \$1,492,466. On March 9, 2020, the Company purchased an additional 416,667 units of Komo Foods for \$200,000 in a private placement, where each unit consists of one common share and one warrant exercisable at \$0.56 for a period of 24 months. The Company's ownership interest in Komo Foods was increased to approximately 20% at this time.

On May 31, 2021, Komo Foods entered into a merger agreement with Komo YUM. Prior to the merger, the Company had determined that it had significant influence in Komo Foods as it held 20% of the voting rights in Komo Foods, the Company and Komo Foods shared a common CFO, and the President and CEO of the Company is the spouse of a director of Komo Foods. Effective May 28, 2019, the Company's investment in Komo Foods was accounted for as an investment in an associate using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate's net assets, such as further investments or dividends.

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6. Investment in Associates (continued)

During the nine months ended August 31, 2021, the Company recorded its proportionate loss from Komo Foods of \$213,234. On December 30, 2020, the Company deconsolidated its former subsidiary NeonMind, which resulted in NeonMind's investment in Komo Foods with a carrying value of \$86,185 being derecognized from the condensed interim consolidated financial statements. The carrying value of the Company's investment in Komo Foods was \$125,437 prior to being reclassified as an investment recorded at fair value through profit and loss (Note 3).

Subsequent to the merger, the Company's shares of Komo Foods were exchanged one-to-one for Komo YUM shares and it was determined that the Company does not have significant influence over Komo YUM. As a result, the Company began accounting for the investment in Komo Foods at fair value through profit or loss (Note 3).

The following tables summarize the unaudited financial information of Komo Foods as of May 31, 2021 prior to the merger, and for the period then ended:

	August 31, 2021
Cash	\$ 384,995
Current assets	474,505
Total assets	477,734
Current and total liabilities	<u>18,790</u>
	Nine months ended August 31, 2021
Komo Foods net loss	<u>\$ (1,955,755)</u>

¹ Subsequent to May 31, 2021, the Company no longer recorded the investment in Komo Foods as an investment in associate using the equity method, therefore the net income subsequent to this period is not relevant to the measurement of the investment as it is recorded at fair value through profit and loss.

NeonMind Biosciences Inc. ("NeonMind")

NeonMind is a company engaged in drug development research into potential therapeutic uses of psychedelic compounds. On April 18, 2022, NeonMind effected a 1-for-4 share consolidation. All share and per share amounts in these financial statements have been retroactively adjusted for the share consolidation.

On September 18, 2019, the Company purchased 250 common shares of NeonMind at \$0.02 per share for \$5. On October 3, 2019, the Company received 7,500,000 common shares of NeonMind for the purchase of intangible assets with a fair value of \$32,400. On October 18, 2019, the Company received 22,500,000 common shares of NeonMind pursuant to a license agreement with a fair value of \$97,200 whereby the Company granted a license for 128 product formulations to manufacture products infused with functional mushrooms for a term of 50 years.

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6. Investment in Associates (continued)

On February 20, 2020, the Company's wholly owned subsidiary, Urban Juve, received 1,562,500 common shares of NeonMind pursuant to a license agreement, for a fair value of \$500,000. The license agreement granted NeonMind a license to use, modify and sublicense extraction technology for the purpose of developing an extraction process for mushroom extract for a term of 25 years. The \$500,000 was initially recorded as deferred revenue and has been recognized over a period of 18 months from the date of the agreement (Note 11).

On May 6, 2020, the Company entered into a share cancellation agreement with NeonMind for the purpose of NeonMind having the share structure of a company more likely to meet stock exchange listing standards in preparation for the planned initial public offering. Pursuant to the agreement, NeonMind cancelled 13,750,000 common shares owned by the Company in exchange for 13,750,000 warrants granted to the Company, exercisable at \$0.80 per share for a period of 24 months from the date of issuance.

On October 21, 2020, the Company entered into a share cancellation agreement with NeonMind for the purpose of having the share structure of a company more likely to meet stock exchange listing standards in preparation for the planned initial public offering. Pursuant to the agreement, NeonMind cancelled 9,250,000 common shares owned by the Company for no consideration.

On October 21, 2020, Urban Juve entered into a share cancellation agreement with NeonMind for the purpose of having the share structure of a company more likely to meet stock exchange listing standards in preparation for the planned initial public offering. Pursuant to the agreement, NeonMind cancelled 234,375 common shares owned by Urban Juve for no consideration.

On December 30, 2020, NeonMind completed an initial public offering ("IPO"), issuing 11,500,000 units at a price of \$0.40 per unit. NeonMind's shares became listed on the Canadian Securities Exchange under the ticker symbol "NEON" on January 4, 2021. After the IPO, NeonMind had 28,107,625 common shares outstanding, of which the Company owned 8,328,375, representing 29.7% of the total common shares outstanding. Throughout the year ended November 30, 2021, NeonMind issued additional common shares, further diluting the Company's ownership.

As a result of the completion of NeonMind's IPO, the Company assessed its ownership of NeonMind in accordance with IFRS 10 *Consolidated Financial Statements* and reached the conclusion that the Company had lost control of NeonMind. The conclusion was reached based on several factors, primarily the decrease in ownership of NeonMind from 50.1% to 29.7%, as well as changes in rights due to changes in key management personnel. As a result, the Company performed a deconsolidation of NeonMind as at December 30, 2020, the date when control was lost. The fair value of the investment retained in NeonMind was calculated at the fair value at the date when control was lost, which was \$0.40 per share in alignment with the price of the IPO units issued on the same date.

The Company has determined that it has significant influence in NeonMind as it held 29.7% of the voting rights in NeonMind at December 31, 2020, and the Company and NeonMind shared a common CFO until October 22, 2021. Effective December 31, 2020, the Company's investment in NeonMind was accounted for as an investment in associate using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate's net assets, such as further investments or dividends.

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6. Investment in Associates (continued)

The Company has the same reporting date as NeonMind and was provided with the unaudited financial information of NeonMind for the period from December 1, 2021 to August 31, 2022 and December 31, 2020 to August 31, 2021 to calculate the portion of net loss attributable to the Company. During the nine months ended August 31, 2022, the Company recorded its proportionate loss from NeonMind of \$477,758 (2021 - \$1,669,380) and dilution gain in the investment of \$17,173 (2021 - \$nil). During the nine months ended August 31, 2021, the Company sold 20,625 NeonMind shares which had a book value of \$8,250 for net proceeds of \$18,175, resulting in a gain on sale of \$9,925.

As of August 31, 2022, the Company held 8,307,750 shares of NeonMind, which represented 25.8% ownership in NeonMind. The carrying value of the Company's investment in NeonMind as at August 31, 2022 was \$1,241,602 (November 30, 2021 - \$1,702,187).

The following tables summarize the unaudited financial information of NeonMind as of August 31, 2022 and 2021 and for the periods then ended:

	<u>August 31, 2022</u>
Cash	\$ 16,559
Current assets	291,441
Total assets	293,291
Current liabilities	858,765
Total liabilities	<u>1,749,871</u>

	Three months ended August 31, 2022	Three months ended August 31, 2021	Nine months ended August 31, 2022	For the period from December 31, 2020 to August 31, 2021 ¹
Net loss and comprehensive loss for the period	\$ (74,065)	\$ (1,433,437)	\$ (1,855,738)	\$ (6,098,055)

¹ The net loss and comprehensive loss for the period from December 1 to December 30, 2020 was consolidated on the Company's consolidated statements of operations and comprehensive loss for the nine months ended August 31, 2021.

Lancaster Minerals Inc. ("Lancaster") (formerly The Mylk Cart Corporation)

Lancaster is a company which planned to develop, produce, and distribute nut milk and plant-based beverages. On October 21, 2021 the Company's wholly owned subsidiary, Jusu Bars, purchased 3,000,000 common shares of Lancaster at \$0.02 per share for a total cost of \$60,000. On February 7, 2022, the Company sold 1,000,000 common shares of Lancaster with a cost of \$20,000 for proceeds of \$150,000, resulting in a gain on the sale of equity accounted investee of \$130,000 on the condensed interim statements of operations and comprehensive loss (Note 18).

The Company determined that it has significant influence in Lancaster as it held 23.1% of the voting rights in Lancaster, the Company and Lancaster share a common CEO, and the corporate secretary of the Company is a director of Lancaster, who represents 33.3% of the board of Lancaster. As a result, the Company's investment in Lancaster is accounted for as an investment in associate using the equity method.

As the Company does not have the same reporting date as its associate, the Company was provided with unaudited financial statements for the nine months ended August 31, 2022 to calculate the portion of net loss attributable to the Company. During the nine months ended August 31, 2022, the Company recorded its proportionate loss from Lancaster of \$71,038. As this investment was purchased on October 21, 2021, there was no such gain or loss recorded for the period ended August 31, 2021.

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6. Investment in Associates (continued)

As of August 31, 2022, the Company held 2,000,000 (November 30, 2021 - 3,000,000) shares of Lancaster, which represented 10.5% (November 30, 2021 - 15.8%) ownership in Lancaster. The carrying value of the Company's investment in Lancaster as at August 31, 2022 was \$59,583 (November 30, 2021 - \$150,621).

The following tables summarize the unaudited financial information of Lancaster as of August 31, 2022 and for the period then ended:

	<u>August 31, 2022</u>	
Cash	\$	151,834
Current and total assets		288,993
Current and total liabilities		<u>59,438</u>
	Three months ended August 31, 2022	Nine months ended August 31, 2022
Net loss and comprehensive loss for the period	<u>\$</u>	<u>(183,586)</u> <u>\$</u> (616,942)

The following table outlines the carrying amount of the investments in Komo Foods, NeonMind and Lancaster as at August 31, 2022:

	Komo Foods	NeonMind	Lancaster	Total
Carrying value of investment, November 30, 2020	\$ 424,855	\$ –	\$ –	\$ 424,855
Additions	–	3,331,350	60,000	3,391,350
Disposals	–	(8,250)	–	(8,250)
Proportionate net loss	(213,234)	(1,839,870)	(46,110)	(2,099,214)
Dilution gain	–	218,957	136,731	355,688
Deconsolidation of NeonMind	(86,184)	–	–	(86,184)
Reclassification of Komo Foods	(125,437)	–	–	(125,437)
Carrying value of investment, November 30, 2021	\$ –	\$ 1,702,187	\$ 150,621	\$ 1,852,808
Disposals	–	–	(20,000)	(20,000)
Proportionate net loss	–	(477,758)	(71,038)	(548,796)
Dilution gain	–	17,173	–	17,173
Carrying value of investment, August 31, 2022	<u>\$ –</u>	<u>\$ 1,241,602</u>	<u>\$ 59,583</u>	<u>\$ 1,301,185</u>

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7. Right-of-use Assets and Lease Liabilities

The Company's office lease was recognized as a lease liability of \$229,117 and associated right-of-use asset of \$182,362 upon the adoption of IFRS 16 *Leases* on December 1, 2019. Effective July 1, 2022, the Company entered into a sublease agreement, whereby the subtenant shall lease the entire office from the Company. The term of the sublease agreement represents the remainder of the head lease agreement, and expires on March 31, 2022. Upon entering the sublease agreement, in accordance with IFRS 16 *Leases*, the Company derecognized the right-of-use asset associated with the office lease, which had a net book value of \$41,031, and recognized the net investment in sublease of \$87,313. The difference of \$46,282 between the right-of-use asset and net investment in sublease was recognized as a gain on sublease agreement on the condensed interim consolidated statement of operations and comprehensive loss.

The Company entered into a second lease agreement for a warehouse facility commencing on March 1, 2020. The associated lease liability and right-of-use asset recognized upon commencement of the warehouse lease was \$100,130. This lease was terminated effective July 31, 2022. Upon termination, the Company derecognized the associated right-of-use asset of \$51,734 and lease liability of \$61,498, recording the a gain of \$7,965 on termination of lease within discontinued operations (Note 22), with the net balance slightly offset by the loss of the security deposit.

The Company entered into a third lease agreement for a warehouse facility commencing on June 1, 2021. The associated lease liability and right-of-use asset recognized upon commencement of the warehouse lease was \$127,807. This lease liability was transferred to the Purchaser of the Company's formerly wholly owned subsidiary, Jusu Wellness (Note 22). Upon the sale on April 12, 2022, the Company derecognized the right-of-use asset of \$106,506 and lease liability of \$112,895.

	Office lease	Warehouse leases	Total
Right of Use Asset:			
Right of use asset, November 30, 2020	\$ 127,653	\$ 85,111	\$ 212,764
Additions	-	127,807	127,807
Amortization	(54,709)	(32,807)	(87,516)
Right of use asset, November 30, 2021	72,944	180,111	253,055
Amortization	(31,914)	(21,871)	(53,785)
Disposals	-	(158,240)	(158,240)
Subleased	(41,030)	-	(41,030)
Right of use asset, August 31, 2022	\$ -	\$ -	\$ -
	Office lease	Warehouse leases	Total
Lease Liabilities:			
Lease liabilities, November 30, 2020	\$ 179,233	\$ 89,686	\$ 268,919
Additions	-	127,807	127,807
Lease payments	(92,548)	(47,868)	(140,416)
Lease interest	23,779	23,148	46,927
Lease liabilities, November 30, 2021	110,464	192,773	303,237
Lease payments	(69,411)	(31,912)	(101,323)
Lease interest	10,166	13,531	23,697
Disposals	-	(174,392)	(174,392)
Lease liabilities, August 31, 2022	\$ 51,219	\$ -	\$ 51,219
Current portion	51,219	-	51,219
Non-current portion	-	-	-
	\$ 51,219	\$ -	\$ 51,219

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7. Right-of-use Assets and Lease Liabilities (continued)

At August 31, 2022, the Company's future lease payment obligations are as follows:

	Office lease	Warehouse leases	Total
Year ended November 30, 2023	\$ 51,219	\$ -	\$ 51,219
Year ended November 30, 2024	-	-	-
Year ended November 30, 2025	-	-	-
Year ended November 30, 2026	-	-	-
Year ended November 30, 2027	-	-	-
	<u>\$ 51,219</u>	<u>\$ -</u>	<u>\$ 51,219</u>

8. Equipment

	Computers	Furniture and display	Phone equipment	Equipment	Leasehold improvements	Total
Cost:						
Balance, November 30, 2020	\$ 98,927	\$ 160,609	\$ 2,378	\$ 37,057	\$ 76,594	\$ 375,565
Additions	3,696	-	-	6,460	-	10,156
Balance, November 30, 2021	102,623	160,609	2,378	43,517	76,594	385,721
Disposals	(102,623)	(160,609)	(2,378)	(43,517)	-	(309,127)
Balance, August 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,594</u>	<u>\$ 76,594</u>
Accumulated depreciation:						
Balance, November 30, 2020	\$ 87,375	\$ 69,608	\$ 1,231	\$ 5,793	\$ 17,730	\$ 181,737
Additions	7,653	52,888	475	11,024	25,328	97,368
Balance, November 30, 2021	95,028	122,496	1,706	16,817	43,058	279,105
Additions	2,107	24,705	237	4,108	18,996	50,153
Disposals	(97,135)	(147,201)	(1,943)	(20,925)	-	(267,204)
Balance, August 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,054</u>	<u>\$ 62,054</u>
Carrying amounts:						
As at November 30, 2021	\$ 7,595	\$ 38,113	\$ 672	\$ 26,700	\$ 33,536	\$ 106,616
As at August 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,540</u>	<u>\$ 14,540</u>

9. Deferred Revenue

The Company recorded the following deferred revenue pursuant to client deposits and retainers:

	Balance, November 30, 2021	Additions	Disposal of subsidiary	Recognized in profit and loss	Balance, August 31, 2022
Current liabilities:					
Client deposits & retainers	\$ 77,623	\$ 150,000	\$ -	\$(122,516)	\$ 105,107
Loyalty program & gift cards	149	-	(149)	-	-
Total deferred revenue	<u>\$ 77,772</u>	<u>\$ 150,000</u>	<u>\$ (149)</u>	<u>\$(122,516)</u>	<u>\$ 105,107</u>

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10. Convertible Debentures

Proceeds from issue of convertible debentures (90 at \$10,000)	\$ 900,000
Transaction costs – cash	(166,840)
Net proceeds	<u>733,160</u>
Transaction costs – non-cash	(36,195)
Amount classified as equity	(34,041)
Fair value of warrants attached to units	(72,440)
Accrued interest	-
Accretion	<u>37,130</u>
Carrying amount of liability at November 30, 2021	627,614
Accrued interest	67,562
Accretion	111,378
Carrying amount of liability at August 31, 2022	<u>\$ 806,554</u>

On August 31, 2021, the Company issued 90 convertible debenture units at a price of \$10,000 per unit for gross proceeds of \$900,000. Each unit consists of a repayable note with a value of \$10,000 (the “Debentures”) and 12,500 warrants to purchase common shares of the Company. The Debentures bear interest at a rate of 10% per annum on an accrual basis from issuance, calculated and payable semi-annually in arrears on May 31 and November 30 of each year with each such payment having commenced on November 30, 2021. The fair value of the warrants was estimated to be \$72,440, using the Black-Scholes Pricing model with the following assumptions: stock price at grant date of \$0.55; an annualized volatility of 120%; an expected life of 3 years; a dividend yield of 0%; an expected forfeiture rate of 0%; and a risk-free rate of 53%.

The Debentures have a redemption date that is 24 months from the date of issuance and are convertible in full or in part, at the holders’ option, into common shares of the Company at a price of \$0.80 per common share, at any time prior to their redemption. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of \$1.10 per share for a period of 36 months from the date of issue.

In connection with the issuance of the Debentures, the Company paid broker fees of \$85,840, commission fees of \$81,000 and granted 101,250 agent’s options (the “Agent’s Options”) with a fair value of \$36,195 entitling the holder to purchase a unit of the Company (the “Agent’s Option Unit”) at \$0.80 per Agent’s Option until August 31, 2024. Each Agent’s Option Unit consists of one common share of the Company (each, an “Agent’s Option Share”) and one share purchase warrant (each, an “Agent’s Option Warrant”). Each Agent’s Option Warrant further entitles the holder to purchase one additional common share of the Company at a price of \$1.10 for a period of 36 months from the Agent’s Options issue date of August 31, 2021. The estimated fair value associated with the Agent’s Options granted was determined using the Black-Scholes Pricing model with the following assumptions: stock price at grant date of \$0.55; an annualized volatility of 120%; an expected life of 3 years; a dividend yield of 0%; an expected forfeiture rate of 0%; and a risk-free rate of 0.53%.

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10. Convertible Debentures (continued)

The gross proceeds of \$900,000 of the Debentures were separated into the liability component of \$762,500, and the equity component of \$137,500 using the effective interest rate method with an effective interest rate of 20% per annum. The equity component is comprised of \$65,060 pertaining to the conversion feature and \$72,440 pertaining to the warrants attached to the Debentures.

11. Related Party Transactions

During the three and nine months ended August 31, 2022 and 2021, compensation of key management personnel and directors were as follows:

	For the three months ended August 31,		For the nine months ended August 31	
	2022	2021	2022	2021
Consulting fees	\$ 24,400	\$ 97,576	\$ 43,833	\$ 267,094
Share-based compensation	1,300	60,938	68,401	681,194
Wages	18,500	67,712	182,456	192,545
	\$ 44,200	\$ 226,226	\$ 294,690	\$1,140,833

During the nine months ended August 31, 2022, the Company recognized consulting revenue of \$74,182 (2021 - \$315,870) from an associated company, Komo YUM and its subsidiary, Komo Foods. As at August 31, 2022, the Company was owed \$52,471 from (November 30, 2021 – owed \$3,423 to) Komo YUM and Komo Foods, which is included in due from related parties, and is unsecured, non-interest bearing, and due on demand. At August 31, 2022, the Company held \$482 in deposits from Komo YUM and Komo Foods (November 30, 2021 - \$14,831), which is included in deferred revenue and deposits.

During the nine months ended August 31, 2022, the Company recognized licensing revenue of \$nil (2021 - \$160,695), consulting revenue of \$100,379 (2021 - \$270,982), rent recovery of \$8,000 (2021 - \$4,000) and interest income of \$nil (August 31, 2021 - \$26,814) from an associated company, NeonMind.

On September 10, 2021, the Company entered into an agreement with NeonMind for the purchase of functional food assets related to the NeonMind's consumer division. The following assets were transferred by NeonMind to the Company: four mushroom coffee products currently being sold in Canada and four mushroom coffee dietary products, including existing inventory, raw materials and packaging for all eight products, social media accounts related to the products, a domain neonmind.com and the neonmind.com Shopify-enabled website in Canada and the US, as well as associated marketing materials and a license to use the brand NeonMind in association with the products.

In consideration for the assets, the Company paid \$645,000 including taxes, which was offset by the balance due on a promissory note of \$645,000 owed by NeonMind to the Company which had a maturity date in February 2022. The fair value of the assets received was determined to be \$68,617, resulting in a loss on settlement of the promissory note of \$576,383. In addition, a 3% royalty of net product sales for a term of 25 years will be payable to NeonMind after the Company reaches cumulative net product sales of over \$1,000,000.

As at August 31, 2022, the Company was owed \$60,463 from (November 30, 2021 – owed \$16,948 to) NeonMind, which is included in due from related parties, and held a \$10,000 (November 30, 2021 - \$10,000) deposit from NeonMind, which is included in deferred revenue and deposits.

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11. Related Party Transactions (continued)

During the nine months ended August 31, 2022, the Company recognized consulting revenue of \$79,353 (2021 - \$nil) from an associated company, Lancaster. The Company's President and CEO is an officer and shareholder of Lancaster and the Company's corporate secretary is a director of Lancaster. As at August 31, 2022, the Company owed \$12,868 to (November 30, 2021 - was owed \$10,325 from) Lancaster, which is included in due to related parties, and held a \$50,000 (November 30, 2021 - \$50,000) deposit from Lancaster, which is included in deferred revenue and deposits.

On October 21, 2021, the Company's wholly owned subsidiary, Jusu Bars, purchased 3,000,000 common shares of Lancaster at \$0.02 per share for a total cost of \$60,000, which has been accounted for as an investment in associate (Note 6). During the nine months ended August 31, 2022, the Company sold 1,000,000 shares of Lancaster.

At November 30, 2021, the Company owed \$49,163 (November 30, 2021 - \$26,740) to directors and officers of the Company, \$48,999 of which is included in accounts payable and accrued liabilities and \$164 of which is included in due to related parties. These amounts are unsecured and non-interest bearing.

On April 26, 2022, the Company entered into a merger agreement (the "Merger Agreement") for a reverse merger transaction (the "Transaction") between the Company, Metaverse, and the Company's wholly-owned subsidiary, 1233392 B.C. Ltd. ("Subco"). Metaverse is a private technology company in the business of developing a suite of online and mobile products and services to enable organizations and individuals to interact and do business within the Metaverse. The transaction, if completed, is anticipated to constitute a fundamental change in accordance with the policies of the CSE. As a result, trading in the common shares of the Company has been halted and will remain halted until the close of the Transaction or termination of the Merger Agreement.

The Transaction is subject to a number of conditions precedents. If the Transaction proceeds, it will be completed by way of a three-cornered amalgamation between the Company, Metaverse and Subco (the "Amalgamation"), pursuant to which Metaverse and Subco will amalgamate to form Amalco and the Company will acquire 100% of the issued and outstanding Metaverse Shares from the holders of the Metaverse Shares in exchange for common shares of the Company on a 1:1 basis.

On completion of the Amalgamation, each previously issued common share of Subco owned by the Company will be cancelled and the Company will receive one common share of Amalco for each common share of Subco held by it. In addition, each previously issued Metaverse Share will be cancelled and each Metaverse Shareholder will receive one common share of the Company for each Metaverse Share formerly held by them. The outstanding warrants and options of Metaverse will be exchanged into warrants and options of the Resulting Issuer on an identical basis. This will be a related party transaction as our CEO and President, Penny White, is also the President, director, and a shareholder of Metaverse.

The Merger Agreement may be terminated by the Company if all of the conditions precedent for the benefit of the Company have not been satisfied or waived by the Company or if the Amalgamation cannot be completed because Metaverse is in default of its covenants or if there is a material breach of the Merger Agreement by Metaverse.

The Merger Agreement may be terminated by Metaverse if all of the conditions precedent for the benefit Metaverse have not been satisfied or waived by Metaverse or if the Amalgamation cannot be completed because the Company is in default of its covenants, or if there is a material breach of the Merger Agreement by the Company. If the Company's Financing is not completed by September 30, 2022 or such other date to be mutually agreed upon by the Company and Metaverse; Metaverse may, when not in default in the performance of any of its obligations under the Merger Agreement, without prejudice to any other rights, terminate the Merger Agreement by written notice to the Company.

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11. Related Party Transactions (continued)

During the nine months ended August 31, 2022, the Company recognized consulting revenue of \$50,000 from Metaverse and received a \$150,000 deposit from Metaverse in accordance with the merger agreement for services related to the completion of the transaction. The Company recognized \$105,375 of this revenue during the nine months ended August 31, 2022 based on services performed, with the remaining \$44,625 recorded in deferred revenue and deposits.

During the nine months ended August 31, 2022, the Company received a \$100,000 loan from Metaverse in accordance with the merger agreement, which is included in due to related parties. The loan is non-interest bearing and due on demand.

12. Share Capital

Authorized: unlimited number of common shares without par value.

During the nine months ended August 31, 2022, the Company completed the following transactions:

- (a) On January 24, 2022, the Company effected a 1-for-10 share consolidation. All share and per share amounts in these condensed interim consolidated financial statements have been retroactively adjusted for the share consolidation.

During the nine months ended August 31, 2021, the Company completed the following transactions:

- (b) Issuance of 400,000 common shares for proceeds of \$40,000 pursuant to the exercise of stock options. The fair value of the stock options of \$29,271 was transferred from equity reserves to share capital upon exercise.
- (c) Issuance of 10,140,569 common shares for proceeds of \$826,342 pursuant to the exercise of share purchase warrants. The fair value of the share purchase warrants of \$34,850 was transferred from equity reserves to share capital upon exercise.
- (d) Issuance of 2,613,635 common shares pursuant to the conversion of 2,613,635 special warrants. The fair value of the warrants of \$143,750 was transferred from special warrants reserve to share capital upon conversion.
- (e) Issuance of 500,000 common shares in exchange for advertising services with a fair value of \$60,000.
- (f) Issuance of 2,344,629 common shares with a fair value of \$216,593 for the settlement of debt.
- (g) Issuance of 937,499 units with a fair value of \$64,088 to settle debt of \$64,728, resulting in a gain on settlement of accounts payable of \$640. Each unit consists of one common share of the Company and one share purchase warrant exercisable at \$0.08 per share for a period of twelve months.

13. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price
Balance, November 30, 2020	8,697,044	\$ 2.26
Issued	1,958,376	0.90
Exercised	(1,014,057)	0.81
Expired	(4,064,523)	3.14
Balance, November 30, 2021	5,576,840	\$ 1.40
Expired	(1,479,800)	1.08
Balance, August 31, 2022	4,097,040	\$ 1.52

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13. Share Purchase Warrants (continued)

As at August 31, 2022, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price	Expiry date
27,778	\$ 1.11	September 8, 2022
1,900,000	\$ 1.00	October 9, 2022
377,012	\$ 0.50	November 19, 2022
546,000	\$ 5.00	October 30, 2023
20,000	\$ 3.40	January 3, 2024
101,250	\$ 0.80	August 31, 2024
1,125,000	\$ 1.10	August 31, 2024
4,097,040		

Special Warrants

During the nine months ended August 31, 2021, the Company completed the following transactions:

- (a) On December 3, 2020, the Company closed a non-brokered private placement of 229,545 special warrants at \$0.55 per special warrant for proceeds of \$126,250 and 31,818 special warrants issued for services with a fair value of \$17,500. Each special warrant entitles the holder to acquire, without additional payment, one common share and one share purchase warrant of the Company on the earlier of: (a) three business days following the delivery of a prospectus supplement in compliance with applicable Canadian securities laws; and (b) four months and one day from the date of issuance of the special warrants. Each warrant is exercisable to purchase one common share of the Company at \$0.70 per share for a period of nine months from the date of the issuance.

14. Stock Options

On May 15, 2017, the Company adopted an incentive stock option plan. Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company. The terms of the granted stock options as well as the vesting conditions are at the sole discretion of the directors. The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price
Outstanding, November 30, 2020	1,723,166	\$ 3.70
Granted	953,500	1.53
Exercised	(40,000)	1.00
Expired/cancelled	(669,683)	3.32
Outstanding, November 30, 2021	1,966,983	\$ 2.79
Granted	430,000	0.20
Expired/cancelled	(1,378,782)	3.07
Outstanding, August 31, 2022	1,018,201	\$ 1.29
Exercisable, August 31, 2022	962,001	\$ 1.31

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14. Stock Options (continued)

Additional information regarding stock options outstanding and exercisable as at August 31, 2022, is as follows:

Range of exercise prices	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
\$ 0.20 – 0.99	420,000	420,000	1.83
\$ 1.00 – 1.99	494,500	438,300	1.40
\$ 2.00 – 2.99	22,200	22,200	0.06
\$ 3.00 – 3.99	2,000	2,000	0.00
\$ 4.00 – 4.99	24,000	24,000	0.01
\$ 5.00 – 5.99	7,501	7,501	0.01
\$ 6.00 – 6.99	8,000	8,000	0.01
\$ 7.00 – 7.99	40,000	40,000	0.06
	<u>1,018,201</u>	<u>962,001</u>	<u>3.39</u>

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the nine months ended August 31, 2022, the Company recognized share-based compensation expense of \$52,111 (2021 - \$964,291) in equity reserves, of which \$70,097 (2021 - \$681,194) pertains to directors and officers of the Company. The weighted average fair value of options granted during the nine months ended August 31, 2022, was \$0.17 (2021 - \$0.10) per share. There were no stock options exercised during the nine months ended August 31, 2022. The weighted average share price for stock options exercised during the nine months ended August 31, 2021 was \$0.13. Weighted average assumptions used in calculating the fair value of share-based compensation expense, assuming no expected dividends or forfeitures, are as follows:

	2022	2021
Risk-free interest rate	1.68%	0.75%
Dividend yield	0%	0%
Expected volatility	133%	122%
Expected life (years)	4.94	4.88

As at August 31, 2022, there was \$8,368 (November 30, 2021 - \$73,227) of unrecognized share-based compensation related to unvested stock options.

15. Loss of Control and Disposal of Subsidiary

On April 12, 2022, the Company sold the assets of its formerly wholly owned subsidiary, Jusu Wellness (Note 22). The Company derecognized the assets and liabilities of Jusu Wellness included in the sale, which had a net negative balance of \$21,099. This net negative balance was offset by the derecognition of contingent consideration of \$31,420 associated with the original purchase of Jusu, resulting in a gain of \$10,321 being recognized on the interim consolidated statement of comprehensive income. This contingent consideration was payable in the form of 2,500,000 units of the Company if within three years, the quarterly or annual financial statements for any period indicate that the Company as generated \$5 million in gross revenues through the sale of Jusu products. As the Company no longer sells Jusu products, it will not be meeting the criteria of the contingent consideration.

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15. Loss of Control and Disposal of Subsidiary (continued)

On December 30, 2020, the Company concluded that control over its former subsidiary, NeonMind, had been lost (Note 6). As a result, the Company deconsolidated NeonMind on the date when control was lost. The Company consolidated NeonMind's income statement from December 1 to December 30, 2020. The deconsolidation consisted of the Company derecognizing the assets and liabilities of NeonMind at the date when control was lost, derecognizing the carrying amount of the non-controlling interest in NeonMind, recognizing the fair value of the investment retained in NeonMind, and recognizing the resulting difference as a gain in the consolidated statement of operations and comprehensive loss. The fair value of the investment retained in NeonMind was calculated at the fair value at the date when control was lost, which was \$0.40 per share in alignment with the price of the IPO units issued on the same date.

The gain on loss of control of the subsidiary was calculated as follows:

	December 30, 2020
Fair value of retained investment	\$ 3,331,350
Carrying value of negative net assets	351,438
Total gain on loss of control of subsidiary	<u>\$ 3,682,788</u>

On December 15, 2020, the Company dissolved its wholly owned subsidiary, UJ Asia Limited ("UJ Asia"). As a result of deregistering the former subsidiary, the Company derecognized the net liability of UJ Asia of \$2,623. As there were no proceeds received upon the disposal of the subsidiary to offset the value of UJ Asia's net assets, the Company recorded a loss of \$2,623 on the consolidated statement of operations and comprehensive loss for the year ended November 30, 2021.

On February 14, 2022, the Company dissolved its wholly owned subsidiary, W&W Manufacturing (Note 22). As a result of deregistering the former subsidiary, the Company fully derecognized its previous investment in W&W Manufacturing, resulting in no impact on the condensed interim consolidated statement of operations and comprehensive loss for the nine months ended August 31, 2022.

The total gain on loss of control and disposal of subsidiaries on the consolidated statements of operations and comprehensive loss is comprised of:

	For the nine months ended August 31, 2021
Gain on loss of control of NeonMind	\$ 1,553,829
Loss on dissolution of UJ Asia	<u>(2,623)</u>
	<u>\$ 1,551,206</u>

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16. Non-controlling Interest

The following table presents the summarized financial information about the Company's subsidiary, NeonMind, that had a non-controlling interest of 49.9% at November 30, 2020. During the nine months ended August 31, 2021, the Company lost control of NeonMind and deconsolidated the entity on December 30, 2020 (Note 6). As at August 31, 2022, NeonMind is recorded using the equity method of accounting. This information represents amounts before intercompany eliminations.

	December 30, 2020
Summarized statement of financial position:	
Current assets	\$ 3,815,574
Current liabilities	997,742
Current net assets (liabilities)	2,817,832
Non-current assets	114,535
Non-current liabilities	-
Non-current net assets (liabilities)	114,535
Net assets (liabilities)	\$ 2,932,367
Accumulated non-controlling interest	\$ (747,057)

NeonMind was incorporated under the laws of the province of British Columbia, Canada, on September 18, 2019.

	For the period from December 1 to December 30, 2020 ¹
Summarized statement of comprehensive loss:	
Net loss and comprehensive loss	\$ (399,135)
Loss allocated to non-controlling interests	\$ (198,977)

¹ The Company performed a deconsolidation of NeonMind on December 30, 2020 (Note 6).

17. Capital Management

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, to support the general operations of the Company and facilitate the liquidity needs of its operations. 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 future development of the business. The Company defines capital to include its working capital position, share capital, special warrant reserve, and equity reserves.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended August 31, 2022. The Company is not subject to externally imposed capital requirements.

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18. Investment Loss

	Three months ended August 31,		Nine months ended August 31,	
	2022	2021	2022	2021
Realized gain on marketable securities (Note 3)	\$ -	\$ (3,665)	\$ 43,924	\$ (3,665)
Unrealized gain (loss) on marketable securities (Note 3)	(32,316)	(499)	(324,705)	2,605
Gain on reclassification of investment	-	-	-	366,230
Gain on sale of equity accounted investee (Note 6)	-	-	130,000	9,925
Dilution gain on equity accounted investee (Note 6)	-	-	17,173	-
Share of net loss of equity accounted investee (Note 6)	(36,512)	(381,762)	(548,796)	(1,882,614)
	<u>\$ (68,828)</u>	<u>\$ 385,926</u>	<u>\$(682,404)</u>	<u>\$(1,507,519)</u>

19. Other Income (Expenses)

	Three months ended August 31,		Nine months ended August 31,	
	2022	2021	2022	2021
Bad debt expense	\$ (18,571)	\$ -	\$ (18,571)	\$ -
Gain (loss) on loss of control and disposal of subsidiaries (Note 15)	31,420	-	10,321	3,680,165
Gain (loss) on disposal of assets	(15,225)	-	(14,025)	-
Gain (loss) on foreign exchange	54	(3,425)	(412)	7,510
Gain on settlement of debt	34,261	640	62,638	11,510
Gain on sublease agreement (Note 7)	46,282	-	46,282	-
Interest and accretion	(67,140)	(7,647)	(198,056)	(23,186)
Interest income on sublease	2,287	-	2,287	-
	<u>\$ 13,368</u>	<u>\$ (10,432)</u>	<u>\$ (109,536)</u>	<u>\$ 3,675,999</u>

20. Supplemental Disclosures

	August 31, 2022	August 31, 2021
Non-cash investing and financing activities:		
Special warrants issued for settlement of accounts payable	\$ -	\$ 17,500
Shares issued for services and to settle accounts payable	-	276,593
Units issued for settlement of accounts payable	-	64,088
Reclassification of equity reserves for exercise of options and warrants	-	64,121
Convertible debenture issuance costs	-	36,195
Warrants attached to convertible debentures	-	72,440

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21. Financial Instruments and Risk Management

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at August 31, 2022, as follows:

	Fair Value Measurements Using			Balance August 31, 2022
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	Marketable securities	\$ 86,177	\$ -	

The fair values of other financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities, lease liabilities, loans payable, and amounts due from and to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company's credit risk is primarily attributable to accounts receivable. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada, and has no other significant concentration of credit risk arising from operations. Accounts receivable is primarily comprised of trade accounts receivable. For accounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company is mainly exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	August 31, 2022 USD	November 30, 2021 USD
Cash	\$ 3,689	\$ 4,415
Accounts receivable	-	-
Accounts payable and accrued liabilities	(30,809)	(65,779)
Net exposure	\$ (27,120)	\$ (61,364)
Canadian dollar equivalent	\$ (35,557)	\$ (78,497)

A 10% change in the foreign exchange rate of US dollars is not expected to have a material impact on the condensed interim consolidated financial statements. The Company is not exposed to any significant interest rate risk.

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21. Financial Instruments and Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there are sufficient funds to meet short-term and specific obligations.

Price Risk

The Company is exposed to price risk with respect to its marketable securities, which consists of common shares held in publicly-traded companies and is dependent upon the market price or the fair value of the common shares for those companies. The market price or the fair value of the common shares of those companies can fluctuate significantly, and there is no assurance that the future market price or the fair value of those companies will not decrease significantly.

22. Discontinued Operations

On April 20, 2022, the Company announced the completion of the sale of all the issued and outstanding shares of its previously wholly owned subsidiary, Jusu Wellness pursuant to a purchase of business agreement between the Company and the Purchaser. The sale includes existing liabilities and ongoing obligations, plus all inventory, packaging, raw ingredients, and intellectual property related to Jusu Wellness' plant-based products, as well as the e-Commerce site that sells Jusu Wellness products, and consumer lists. The Company previously acquired Jusu as part of an all stock deal on October 14, 2020. The consideration received for the said was \$1 plus assumption of current and future liabilities.

During the nine months ended August 31, 2022, the Company wound down the operations of Jusu Bars and Urban Juve, closing the physical retailer of Jusu Bars and discontinuing the product lines of both subsidiaries. On February 14, 2022, the Company dissolved its wholly owned subsidiary, W&W Manufacturing.

The Company entered into a purchase of business agreement dated November 30, 2021 with AREV Life Sciences Global Corp. in which the Company agreed to sell all of the issued and outstanding shares of Wright & Well in consideration for \$20,000. On November 30, 2021, the Company wound up its subsidiary Yield Botanicals. On April 6, 2021, the Company wound up its subsidiary UJ Asia. As a result of the discontinued operations, purchase of business agreement and wound-up subsidiaries, Jusu Bars, Urban Juve, W&W Manufacturing, Wright & Well, Yield Botanicals, and UJ Asia meet the criteria to be classified as discontinued operations at August 31, 2022 and therefore, the results of operations of these six entities relevant cash generating units for all periods have been classified as discontinued operations on the condensed interim consolidated statements of operations and comprehensive loss.

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22. Discontinued Operations (continued)

	Three months ended		Nine months ended	
	August 31,		August 31,	
	2022	2021	2022	2021
Discontinued operations				
Revenue				
Licensing	\$ -	\$ 9,132	\$ -	\$ 336,038
Product sales	-	139,618	99,734	451,980
Total revenue	-	148,750	99,734	788,018
Cost of product sales	-	68,186	32,986	242,654
Gross profit	-	80,564	66,748	545,364
Expenses:				
Advertising, marketing, and media	-	71,961	18,368	266,796
Amortization and depreciation	3,338	54,702	43,514	150,717
Consulting fees	-	-	683	(47,793)
Office and administrative	(4,625)	59,648	30,416	94,335
Product development, research, and registration	-	4,970	(5,893)	167,764
Professional fees	3,600	988	16,044	22,491
Selling expenses	516	98,790	54,536	304,272
Wages	21,535	173,281	155,950	358,882
Total expenses	24,364	464,340	313,618	1,317,464
Loss before other expense	(24,364)	(383,776)	(246,870)	(772,100)
Inventory write-offs and donations	-	(325,266)	(81,778)	(437,671)
Interest and accretion	(3,947)	(10,175)	(19,957)	(24,826)
Bad debt expense	(8,733)	-	(29,300)	-
Gain on termination of warehouse lease	7,965	-	7,965	-
Gain on debt settlement	2,028	-	2,028	-
Loss on disposal of assets	(9,082)	-	(20,109)	-
Gain (loss) on foreign exchange	(875)	(2,162)	(23,776)	(218)
Total other income (expense)	(12,644)	(337,603)	(164,927)	(462,715)
Net loss from discontinued operations	\$ (37,008)	\$ (721,379)	\$ (411,797)	\$ (1,234,815)

23. Commitments and Contingencies

Commitments

The Company has entered into various agreements for warehousing and consulting. The Company's annual contractual commitments for the next five years related to these items are as follows:

	Payments Due by Period			
	1 Year	2-3 Years	4-5 Years	Total
Lease payment obligations	\$ 51,219	\$ -	\$ -	\$ 51,219
Loans	80,000	-	-	80,000
Convertible debentures	-	900,000	-	900,000
	\$ 131,219	\$ 900,000	\$ -	\$ 1,031,219

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23. Commitments and Contingencies (continued)

Loan:

The Company received an interest free Canada Emergency Business Account loan of \$120,000. If the Company repays \$80,000 by December 31, 2022, the remaining \$40,000 will be forgiven. If any portion of the loan is unpaid by December 31, 2022, the balance of the loan will convert to a 5% interest term loan with extended maturity to December 31, 2025.

Convertible debentures:

The debenture holders have the option at any time prior to the maturity date on August 31, 2023, to convert in whole or in part being \$1,000 or an integral multiple thereof, of the principal amount of the Debenture into common shares of the Company (Note 10). On maturity, the Company shall satisfy its obligation to pay the principal amount of the Debentures which have matured in cash.

Contingencies:

On February 26, 2021, a claim was commenced against the Company and 8931429 Canada Inc. (formerly Jusu Bars Inc.), which sold its assets to the Company during the year ended November 30, 2020, regarding the failure of 8931429 Canada Inc., to pay rent on its retail unit located in Calgary, Alberta. The landlord is seeking payment for the amounts owing in arrears and damages for breach of contract. As the damages claimed by the plaintiff were not directly against the Company, the Company believes this claim lacks merit and intends to defend this claim. Due to the uncertainty of timing and the amount of estimated future cash outflows relating to this claim, no provision has been recognized.

On October 9, 2020, the Company entered into an acquisition agreement with Jusu Body Inc., Jusu Bars Inc. and Jusu CBD Inc. (collectively, "Jusu") for the purchase of Jusu's inventory, equipment for its retail location in Victoria, BC, and other intangible assets including primarily the brand names, product formulas and customer lists. Pursuant to the agreement, the Company issued 2,200,000 share units which were comprised of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of two years. 300,000 of the share units were subject to holdback conditions for the purpose of ensuring that Jusu was discharged from certain security registrations. As of August 31, 2022, the holdback amount had not been released to Jusu.

24. Subsequent event

Subsequent to the nine months ended August 31, 2022, many of the conditions precedent required for the closing of the Amalgamation (Note 11) had not been met resulting in both Metaverse and the Company obtaining the right to terminate the Merger Agreement by sending notice to the other party.