



Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended August 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)

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.Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		August 31, 2023	November 30, 2022
	Notes	(unaudited)	
Assets			
Current assets			
Cash		-	54,741
Marketable securities	3	149,177	75,405
Amounts receivable		41,990	-
Net investment in sublease	5	-	39,565
Prepaid expenses and deposits		-	1,851
Total current assets		191,167	171,562
Non-current assets			
Investment in associates	4	-	1,206,547
Due from related parties		102	54,363
Leasehold improvements	6	-	8,208
Total non-current assets		102	1,269,118
Total assets		191,269	1,440,680
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		991,705	914,441
Due to related parties		96,593	166,812
Deferred revenue and customer deposit		-	50,000
GST payable		140,433	121,289
Convertible debentures and interest payable	7	1,057,562	851,513
Lease liabilities	5	-	29,848
Loan payable		119,211	-
Total current liabilities		2,405,504	2,133,903
Non-current liabilities			
Loan payable		-	118,422
Total liabilities		2,405,504	2,252,325
Shareholders' equity			
Share capital	9	28,560,928	28,560,928
Equity reserves	11	10,829,681	10,828,717
Reserve for convertible debentures	7	34,041	34,041
Deficit		(41,638,886)	(40,235,331)
Total shareholders' equity		(2,214,236)	(811,645)
Total liabilities and shareholders' equity		191,269	1,440,680

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on October 30, 2023:

/s/ "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.

Condensed Interim Consolidated Statements of Operations

(Expressed in Canadian Dollars)

(Unaudited)

	Notes	Three months ended		Nine months ended	
		August 31,		August 31,	
		2023	2022	2023	2022
Revenue	8	-	100,253	83,675	409,289
Cost of revenue		-	80,966	66,440	230,904
Gross profit		-	19,287	17,235	178,385
Expenses					
Advertising, marketing and media		-	44,684	626	139,874
Consulting fees		7,500	35,549	46,234	189,332
Depreciation		-	10,891	6,332	60,424
Listing fees		3,131	4,000	6,881	14,210
Office and administration		2,019	30,173	33,028	123,282
Professional fees		1,494	10,028	41,644	105,777
Share-based compensation	11	-	2,640	963	52,111
Wages	8	-	13,208	88,477	262,301
Total expenses		14,144	151,173	224,185	947,311
Net loss before other items		(14,144)	(131,886)	(206,950)	(768,926)
Other items					
Investment loss	14	(1,076,028)	(68,828)	(1,128,623)	(682,404)
Other income (expenses)	15	(172,097)	13,368	(67,983)	(109,536)
Net loss from continuing operations		(1,262,269)	(187,346)	(1,403,556)	(1,560,866)
Loss from discontinued operations	17	-	(37,008)	-	(411,797)
Net loss		(1,262,269)	(224,354)	(1,403,556)	(1,972,663)
Loss per shares from					
continuing operations, basic and diluted		(0.06)	(0.01)	(0.07)	(0.08)
discontinued operations, basic and diluted		-	(0.00)	-	(0.02)
Weighted average shares outstanding, basic and diluted		19,917,970	19,917,970	19,917,970	19,917,970

(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)

(Unaudited)

	Share capital		Equity reserves	Shares issuable	Reserve for Convertible debentures	Accumulated other Comprehensive income (loss)	Deficit	Total Shareholders' equity
	Number of shares	Amount						
Notes		\$	\$	\$	\$	\$	\$	\$
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
Fair value of stock options granted	-	-	52,111	-	-	-	-	52,111
Realized foreign exchange loss	-	-	-	-	-	18,387	-	18,387
Reclassification of shares issuable	-	-	-	(31,420)	-	-	-	(31,420)
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)
Balance, November 30, 2022	19,917,970	28,560,928	10,828,717	-	34,041	-	(40,235,331)	(811,645)
Fair value of stock options granted	11	-	964	-	-	-	-	964
Net loss for the period	-	-	-	-	-	-	(1,403,555)	(1,403,555)
Balance, August 31, 2023	19,917,970	28,560,928	10,829,681	-	34,041	-	(41,638,886)	(2,214,236)

(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)
(Unaudited)

	Notes	Nine months ended August 31,	
		2023	2022
Operating activities:			
Net Loss from continuing operations		(1,403,555)	(1,560,866)
Items not involving cash:			
Accretion on convertible debt	7	136,798	111,378
Amortization and depreciation		8,208	60,425
Dilution gain on equity accounted investee		-	(17,173)
Gain on sale of equity accounted investee		-	(130,000)
Settlement of debt	15	(231,255)	(44,067)
Interest on convertible debentures	7	69,251	67,562
Interest expense on lease liability	5	-	10,166
Interest expense on government loans		-	6,394
Office sublease	5	(2,620)	(47,310)
Loss on sale of marketable securities		-	(43,924)
Loss on disposal of subsidiary		-	14,025
Share of net loss of equity accounted investee	4	1,002,270	538,475
Share-based compensation	11	964	52,111
Realized loss on marketable securities		1,875	-
Unrealized loss on marketable securities		124,478	324,705
Changes in non-cash operating working capital:			
Accounts receivable		-	(7,608)
Sublease payments received		-	20,446
Prepaid expenses & other assets		1,851	174,977
Due from related parties		65,512	(85,706)
Accounts payable and accrued liabilities		96,409	250,538
Due to related parties		108,584	106,940
Deferred revenue		(50,000)	30,276
Net cash used in operating activities - continuing operations		(71,231)	(168,236)
Net cash provided by operating activities - discontinued operations		-	(86,027)
Investing activities:			
Proceeds from sale of marketable securities	3	4,025	184,040
Proceeds from sale of equity accounted investee	4	128	150,000
Sublease payments received	5	42,186	1,200
Net cash provided by investing activities		46,338	335,240
Net cash provided by investing activities - discontinued operations		-	6,588
Financing activities:			
Lease payments	5	(29,848)	(69,411)
Net cash used in financing activities - continuing operations		(29,848)	(69,411)
Net cash used in financing activities - discontinued operations		-	(31,912)
Effect of foreign exchange on cash		-	18,387
Chang in cash		(54,741)	4,629
Cash, beginning of period		54,741	24,562
Cash, end of period		-	29,191

(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, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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 consulting 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 \$1,262,268 and used \$82,481 of cash in operating activities from continuing operations during the nine months ended August 31, 2023. As at August 31, 2023, the Company had a working capital deficiency of \$2,214,337 and had an accumulated deficit of \$41,638,886. The Company had limited cash reserves at August 31, 2023, 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 unfavorable 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.

2. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretations Committee.

(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, and W & W Manufacturing Inc. (“W&W Manufacturing”) until the date of dissolution on February 14, 2022. All intercompany balances and transactions have been eliminated on consolidation.

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
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2. Significant Accounting Policies (continued)

(b) Basis of Presentation and Principles of Consolidation (continued)

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.

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
- 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.

(d) 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. 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

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(Unaudited)

3. Marketable Securities and Investments

As at August 31 2023, the Company holds 215,444 shares of *Komo Plant Based Foods Inc. ("Komo YUM")* (November 30, 2022 – 215,444) and 1,526,924 shares of *Lancaster Resources Inc. ("Lancaster LCR")* (Note 4). Below is a summary of changes in the Company's marketable securities and investments for the nine months ended August 31, 2023 and 2022:

	November 30, 2022 fair value	Transfer from equity investment account	Proceeds from sale	Realized gain (loss) on sale	Unrealized gain (loss)	August 31, 2023 fair value
Komo YUM shares	75,405	-	-	-	(65,178)	10,227
Lancaster LCR shares	-	204,150	-	-	(65,200)	138,950
	75,405	204,150	-	-	(130,378)	149,177

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

4. Investment in Associates

The following table outlines the carrying amount of the investments in associates as of August 31, 2023:

	NeonMind	Lancaster	Total
Carrying value of investment, November 30, 2021	\$ 1,702,187	\$ 150,621	\$ 1,852,808
Disposals	-	(43,672)	(43,672)
Proportionate net loss	(518,746)	(83,843)	(602,589)
Carrying value of investment, November 30, 2022	1,183,441	23,106	1,206,547
Disposals	-	(126)	(126)
Proportionate net income (loss)	(48,956)	(22,980)	(71,936)
Transfer out due to loss of significant influence	(1,134,485)	-	(1,134,485)
Carrying value of investment, August 31, 2023	\$ -	\$ -	\$ -

Investment in Lancaster Resources Inc.

Lancaster Resources is a company engaged in drug development research into potential therapeutic uses of psychedelic compounds. On April 18, 2022, Lancaster Resources effected a 4:1 share consolidation and on January 24, 2023, Lancaster Resources effected a 30:1 share consolidation. All share and per share amounts in these financial statements have been retroactively adjusted for the share consolidation. The Company has determined that it has significant influence in Lancaster Resources as it held 276,925 representing 24.7% of the voting rights in Lancaster Resources as of June 9, 2023 (November 30, 2022 – 22.9%). The Company's investment in Lancaster Resources 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.

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)
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4. Investment in Associates (continued)

Investment in Lancaster Lithium Inc. ("Lancaster Lithium")

Lancaster Lithium's principal business is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. Currently, the Company is evaluating and reviewing potential resource properties and other business opportunities as possible options or joint ventures. As of August 31, 2023, the Company held 1,750,000 (November 30, 2022 - 2,000,000) shares of Lancaster Lithium, which represented 8.5% (November 30, 2022 - 10.5%) ownership in Lancaster. The corporate secretary of the Company is a director of Lancaster who represents 33.3% of the board of Lancaster. The Company determined that it has significant influence in Lancaster. The Company's investment in Lancaster is accounted for as an investment in associate using the equity method.

Merger between Lancaster Resources and Lancaster Lithium

On June 9, 2023, Lancaster Resources and Lancaster Lithium completed a merger as a reverse takeover transaction. The common shares of the resulting entity, Lancaster LCR, continued to trade on the Canadian Security Exchange. Immediately after the merger, the Company owned 1,526,924 of Lancaster LCR, representing 3.6% of the total issued and outstanding shares of Lancaster LCR. The Company determined it no longer held significant influence in Lancaster LCR. The Company reclassified the shares it held in Lancaster LCR from equity invested associates to marketable securities (Note 3). A loss from the reclassification was reflected in the Company's results of operations for the period ended August 31, 2023.

5. 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, 2023. 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 consolidated statement of operations and comprehensive loss during the year ended November 30, 2022. As at August 31 2023, the Company do not have any leases. As August 31, 2023, the Company's lease liabilities are as follows:

	Office	Warehouse	Total
Lease liabilities, November 30, 2021	\$ 110,464	\$ 192,773	\$ 303,237
Lease payments	(92,548)	(31,912)	(124,460)
Lease interest	11,932	13,531	25,463
Disposals	-	(174,392)	(174,392)
Lease liabilities, November 30, 2022	29,848	-	29,848
Lease payments	(30,748)	-	(30,748)
Lease interest	900	-	900
Lease liabilities, August 31, 2023	\$ -	\$ -	\$ -

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

6. Leasehold Improvements

	Computers	Furniture and display	Phone equipment	Equipment	Leasehold improvements	Total
Cost:						
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, November 30, 2022	-	-	-	-	76,594	76,594
Additions	-	-	-	-	-	-
Balance, August 31, 2023	-	-	-	-	76,594	76,594
Accumulated depreciation:						
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, November 30, 2022	-	-	-	-	62,054	62,054
Additions	-	-	-	-	14,540	14,540
Balance, August 31, 2023	-	-	-	-	76,594	76,594
Carrying amounts:						
As at November 30, 2022	-	-	-	-	8,208	8,208
As at August 31, 2023	-	-	-	-	-	-

7. Convertible Debentures

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>
Carrying amount of liability at November 30, 2022	851,513
Accrued interest	67,561
Accretion	138,488
Carrying amount of liability at August 31, 2023	<u>\$ 1,057,562</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 August 31 and November 30 of each year. 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.

BETTER PLANT SCIENCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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7. Convertible Debentures (continued)

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%.

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.

8. Related Party Transactions

During the three and nine months ended August 31, 2023 and 2022, compensation of key management personnel and directors were as follows:

	Three months ended		Nine months ended	
	August 31,		August 31,	
	2023	2022	2023	2022
Consulting fees	\$7,500	\$24,400	\$46,234	\$43,833
Share-based compensation	134	1,300	583	68,401
Wages	-	18,500	-	182,456
	\$7,634	\$44,200	\$46,817	\$294,690

At August 31, 2023, the Company owed \$10,200 (November 30, 2022 - \$5,800) to the Chief Executive Officer of the Company, which is included in due to related parties. These amounts are unsecured and non-interest bearing.

At August 31, 2023, the Company owed \$68,2750 (November 30, 2022 - \$32,750) to the Chief Financial Officer of the Company, which is included in due to related parties. These amounts are unsecured and non-interest bearing.

During the nine months ended August 31, 2023, the Company recognized revenue of \$12,250 (2022 - \$85,920) from an associated company, Lancaster LCR. As at August 31 2023, the Company was owed \$9,414 (November 30, 2022 – was owed \$7,553) by Lancaster LCR, included in due from related parties.

During the nine months ended August 31, 2023, the Company recognized consulting revenue of \$10,000 (2022 - \$57,809) from an associated company, Lancaster Lithium. As at August 31 2023, the Company owed \$414 to (November 30, 2022 - owed \$8,741 to) Lancaster Lithium and held a \$50,000 (November 30, 2022 - \$50,000) deposit for services from Lancaster, which are included in due to related parties.

During the three and nine months ended August 31, 2023, the Company settled a loan of \$100,000 with Tevera Energy Corp. which amalgamated into Lancaster in March 2023, by returning 500,000 common shares of Lancaster that the Company owned valued at \$0.20 per share.

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9. Share Capital

Authorized: unlimited number of common shares without par value.

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

At August 31, 2023, the Company has 19,917,970 common shares issued and outstanding.

10. 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, 2021	5,576,840	\$ 1.40
Expired	(3,784,590)	0.98
Balance, November 30, 2022 and August 31, 2023	1,792,250	\$ 2.30

As at August 31 2023, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price	Expiry date
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
1,792,250		

11. 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, 2021	1,966,983	\$2.79
Granted	430,000	
Expired	(638,573)	
Cancelled	(661,600)	
Forfeited	(257,809)	
Outstanding, November 30, 2022	839,001	\$1.39
Expired	(431,801)	
Outstanding, August 31, 2023	407,200	\$0.79
Exercisable, August 31, 2023	407,200	\$0.79

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11. Stock Options (continued)

Additional information regarding stock options outstanding and exercisable As at August 31 2023, is as follows:

Range of exercise prices	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
\$ 0.20	200,000	200,000	3.44
\$ 1.00 – 1.65	203,000	203,000	2.34
\$ 2.10 – 2.80	3,200	3,200	1.41
\$ 5.10	1,000	1,000	0.36
	407,200	407,200	2.87

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the nine months ended August 31, 2023, the Company recognized share-based compensation expense of \$829 (2022 - \$67,472) in equity reserves, of which \$449 (2022 - \$65,767) pertains to directors and officers of the Company. There were no stock options granted or exercised during the nine months ended August 31, 2023. Weighted average assumptions used in calculating the fair value of share-based compensation expense, assuming no expected dividends or forfeitures, are as follows:

	2023	2022
Risk-free interest rate	1.68%	1.68%
Dividend yield	0%	0%
Expected volatility	133%	133%
Expected life (years)	4.94	4.94

As at August 31 2023, there was \$nil (November 30, 2022 - \$1,080) of unrecognized share-based compensation related to unvested stock options.

12. Loss of Control and Disposal of Subsidiary

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. W&W Manufacturing's assets and liabilities were primarily due to/due from intercompany; therefore the dissolution did not have a material impact on the consolidated statement of operations and comprehensive loss for the three and nine months ended August 31, 2022.

On April 12, 2022, the Company sold certain assets of its formerly wholly owned subsidiary, Jusu Wellness. The Company derecognized the assets and liabilities of Jusu Wellness included in the sale, which had a net negative balance of \$101,599. Additionally, the Company derecognized the contingent consideration of \$31,420 associated with the original purchase of Jusu. 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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12. Loss of Control and Disposal of Subsidiary (continued)

The loss on disposal of the subsidiary was calculated as follows:

	April 12, 2022
Consideration received	\$ 1
Carrying value of assets disposed of	244,081
Liabilities assumed by purchaser	(142,483)
Net	\$ 101,599

13. 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 three and nine months ended August 31, 2023. The Company is not subject to externally imposed capital requirements.

14. Investment Income (Loss)

	Three months ended August 31,		Nine months ended August 31,	
	2023	2022	2023	2022
Realized gain on marketable securities	\$ -	\$ -	\$ (1,875)	\$ 43,924
Unrealized loss on marketable securities	(76,980)	(32,316)	(124,478)	(324,705)
Gain on sale of equity accounted investee	-	-	-	130,000
Dilution gain on equity accounted investee	-	-	-	17,173
Share of loss of equity accounted investees	(68,715)	(36,512)	(71,937)	(548,796)
Reclassification of equity accounted investee	(930,333)	-	(930,333)	-
	\$ (1,076,028)	\$ (68,828)	\$ (1,128,623)	\$ (682,404)

15. Other Income (Expenses)

	Three months ended August 31,		Nine months ended August 31,	
	2023	2022	2023	2022
Bad debt expense	\$ -	\$ (18,571)	\$ -	\$ (18,571)
Gain on loss of control of subsidiaries	-	31,420	-	10,321
Gain on disposal of assets	-	(15,225)	-	(14,025)
Gain (Loss) on foreign exchange	-	54	(2,031)	(412)
Interest and accretion	(82,827)	(67,140)	(207,937)	(198,056)
Gain on sublease agreement	-	46,282	-	46,282
Interest income on sublease	1,965	2,287	1,965	2,287
Interest and penalty on taxes payable	(91,235)	-	(91,235)	-
Gain on debt settlement	-	34,261	231,255	62,638
	\$ (172,097)	\$ 13,368	\$ (67,983)	\$ (109,536)

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16. 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 2023, as follows:

	Fair Value Measurements Using			Balance August 31, 2023
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Marketable securities	\$ 149,717	\$ -	\$ -	\$ 149,717

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 not exposed material foreign exchange rate and interest rate risks.

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.

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17. Discontinued Operations

On April 20, 2022, the Company sold its wholly owned subsidiary, Jusu. The sale includes existing liabilities and ongoing obligations, plus all inventory, packaging, raw ingredients, and intellectual property related to Jusu Wellness' products, the e-Commerce site, and consumer lists. The consideration received for the said was \$1 plus assumption of current and future liabilities.

During the year ended November 30, 2022, the Company wound down the operations of Jusu Bars and Urban Juve. On April 12, 2022, Jusu Bars and Urban Juve were amalgamated and renamed Metaverse Holdings, resulting in all assets and liabilities being transferred into Metaverse Holdings.

On February 14, 2022, the Company dissolved its wholly owned subsidiary, W&W Manufacturing.

No transaction from discontinued operations was recorded for the three and nine months ended August 31, 2023. The statement of operations from the discontinued operation for the three and nine months ended August 31, 2022 is as follows:

	Three months ended August 31, 2022	Nine months ended August 31, 2022
Total revenue	-	99,734
Total cost of revenues	-	32,986
Gross profit	-	66,748
Expenses		
Advertising, marketing and media	-	18,368
Amortization and depreciation	3,338	43,514
Consulting fees	-	683
Office and administrative	(4,625)	30,416
Product development, research and registration	-	(5,893)
Professional fees	3,600	16,044
Selling costs	516	54,536
Wages	21,535	155,950
Total expenses	24,364	313,618
Loss before other expense	(24,364)	(246,870)
Other expense		
Inventory write-offs and donations	-	(81,778)
Interest and accretion	(3,947)	(19,957)
Gain on termination of lease	7,965	7,965
Realized gain/loss on disposal of assets	(9,082)	(20,109)
Foreign exchange gain/loss	(875)	(23,776)
Bad debt expense	(8,733)	(29,300)
Gain on debt settlement	2,028	2,028
Total other expense	(12,644)	(164,927)
Net loss from discontinued operations	(37,008)	(411,797)