

ASIA GREEN BIOTECHNOLOGY CORP.

Condensed Interim Financial Statements

For the Three and Six Months Ended June 30, 2024 and 2023

(unaudited)

NOTICE OF DISCLOSURE OF NO AUDITOR REVIEW

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

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Asia Green Biotechnology Corp.
Condensed Interim Statements of Financial Position

(amounts in Canadian dollars)

| | Notes | June 30, 2024 \$ | December 31, 2023 \$ |
|--|-------|------------------------|----------------------------|
| Assets | | <i>(unaudited)</i> | <i>(audited)</i> |
| Current assets | | | |
| Cash | 4 | 1,337 | 1,312 |
| Goods and Services Tax receivable | | 61,202 | 64,026 |
| Total assets | | 62,539 | 65,338 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 5 | 379,127 | 244,933 |
| Interest on promissory notes | 6 | 61,536 | 44,974 |
| Promissory notes | 6 | 237,407 | 237,407 |
| Total current liabilities | | 678,070 | 527,314 |
| Promissory notes | 6 | - | - |
| Total liabilities | | 678,070 | 527,314 |
| Shareholders' deficit | | | |
| Share capital | 7 | 1,738,186 | 1,738,186 |
| Contributed surplus | | 951,137 | 951,137 |
| Accumulated deficit | | (3,304,854) | (3,151,299) |
| Total shareholders' deficit | | (615,531) | (461,976) |
| Total liabilities and shareholders' deficit | | 62,539 | 65,338 |

Going concern 2(b)
Subsequent events 15

Approved by the Board of Directors

"Signed" David Pinkman
Director

"Alisdair Leeson"
Director

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

Asia Green Biotechnology Corp.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

| | | Three Months Ended | | Six Months Ended | |
|---|-------|--------------------|-------------------|-------------------|-------------------|
| | Notes | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| Expenses: | | | | | |
| Audit and legal fees | | (36,607) | (8,449) | (40,650) | (9,181) |
| Consulting fees | 11 | (45,000) | - | (75,000) | - |
| Filing and registration fees | | (12,620) | (8,549) | (16,571) | (15,980) |
| Interest | 6 | (8,404) | (7,580) | (16,562) | (14,739) |
| Office | | (4,757) | (2,565) | (4,772) | (4,101) |
| Research and development | 9 | - | - | - | - |
| Total expenses | | (107,388) | (27,143) | (153,555) | (44,001) |
| Loss and comprehensive loss | | (107,388) | (27,143) | (153,555) | (44,001) |
| Loss per share | | | | | |
| Basic and diluted | | (0.00) | (0.00) | (0.00) | (0.00) |
| Weighted average number of outstanding common shares | | 36,247,100 | 36,247,100 | 36,247,100 | 36,247,100 |

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

Asia Green Biotechnology Corp.
Condensed Interim Statements of Changes in Shareholders' Deficit
(amounts in Canadian dollars)
(unaudited)

| | Number of shares | Share capital \$ | Contributed surplus \$ | Accumulated deficit \$ | Total \$ |
|-----------------------------------|-------------------|---------------------|---------------------------|---------------------------|------------------|
| Balance, January 1, 2023 | 36,247,100 | 1,738,186 | 951,137 | (2,930,125) | (240,802) |
| Net loss and comprehensive loss | - | - | - | (221,174) | (221,174) |
| Balance, December 31, 2023 | 36,247,100 | 1,738,186 | 951,137 | (3,151,299) | (461,976) |
| Net loss and comprehensive loss | - | - | - | (153,555) | (153,555) |
| Balance, June 30, 2024 | 36,247,100 | 1,738,186 | 951,137 | (3,304,854) | (615,531) |

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

Asia Green Biotechnology Corp.
Condensed Interim Statements of Cash Flows
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

| | Notes | Three Months Ended | | Six Months Ended | |
|--|-------|--------------------|------------------|------------------|------------------|
| | | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| Operating activities | | | | | |
| Net loss | | (107,388) | (27,143) | (153,555) | (44,001) |
| Adjustments for: | | | | | |
| Interest | | 8,404 | 7,580 | 16,562 | 4,521 |
| | | (98,984) | (19,563) | (136,993) | (39,480) |
| Changes in: | | | | | |
| GST receivable | | 4,721 | (922) | 2,824 | (1,268) |
| Accounts payable and accrued liabilities | | 94,303 | (4,988) | 134,194 | 6,510 |
| Net cash from (used in) operating activities | | 40 | (25,473) | 25 | (34,238) |
| Financing activities | | | | | |
| Receipt of proceeds from promissory notes | 6 | - | 25,000 | - | 25,000 |
| Payment of interest | | - | - | - | - |
| Net cash from financing activities | | - | 25,000 | - | 25,000 |
| Increase (decrease) in cash | | 40 | (473) | 25 | (9,238) |
| Cash, beginning of period | | 1,297 | 3,639 | 1,312 | 12,404 |
| Cash, end of period | | 1,337 | 3,166 | 1,337 | 3,166 |

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

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

1. Reporting entity

Asia Green Biotechnology Corp. (“AGBC” or the “Corporation”) is a publicly traded corporation, listed on the Canadian Securities Exchange (“CSE”) since January 24, 2029, under the symbol “ASIA”. The address of the registered office of the Corporation is Suite 1150, 707 – 7th Avenue S.W., Calgary, Alberta, T2P 3H6.

The Corporation (formerly; Asia Cannabis Corp.) was incorporated by Certificate of Incorporation pursuant to the provisions of Alberta, Canada on December 19, 2017. On April 16, 2020, the Corporation changed its name to Asia Green Biotechnology Corp. by Certificate of Amendment pursuant to the provisions of Alberta, Canada.

On April 12, 2024, the Corporation issued a news release that it has discontinued any further activities in Asia, and in particular, to cease activities in Cambodia and Thailand. Prior to this news release and during the years ended December 31, 2023 and 2022, the Corporation's principal activities remained that of an early-stage international agro-technology company, that had a business focus on the development, evaluation, testing, application and, ultimately, supplying to the market of proprietary organic hybridization technology and certain products derived from that technology (the “Technology”). The core approach of the business was centered on the planting, growth and harvesting of new and valuable strains of hemp and related crops in commercial quantities under the terms of the licence agreement with InPlanta Biotechnology Inc. (“InPlanta”) and the evaluation and development of medicinal and related cannabinoid extracts under the terms of licence agreements with Swysh Inc. (“Swysh”), and Pathway Rx Corp (“Pathway”). InPlanta, Swysh and Pathway are three separate Alberta companies owned by a director of the Corporation; thus, they are considered related parties.

2. Basis of preparation

(a) Basis of accounting

These unaudited condensed interim financial statements (the “financial statements”) have been prepared following the same accounting policies and methods of computation as the audited financial statements for the years ended December 31, 2023 and 2022, except as outlined below. They have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain financial information and disclosure normally included in audited annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed. The disclosure provided herein is incremental to the disclosure included in the audited annual financial statements. The interim financial statements should be read in conjunction with the Corporation's audited annual financial statements for the years ended December 31, 2023 and 2022.

These financial statements were approved and authorized for issuance by the Board of Directors on August 26, 2024.

(b) Going concern

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

During the six months ended June 30, 2024, the Corporation had no revenue, incurred a net loss and comprehensive loss of \$153,555 and generated cash of \$25 in operating activities, and as at that date, the Corporation had an excess of current liabilities over current assets of \$615,531 and an

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

accumulated deficit \$3,304,854.

The continued operation of the Corporation is dependent on its ability to obtain additional financing and there is no assurance that the Corporation will be successful in sufficiently financing its ongoing business activities. The Board of Directors and management are exploring various options that, if successful, are intended to enable the Corporation to have access to sufficient funds to be able to settle its liabilities as and when they fall due. These include but are not limited to the success of raising funds (equity and/or loans) and/or the completion of a material transaction such as a reverse takeover.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern.

These financial statements do not reflect the adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the expenses and the statement of financial position classifications used and such adjustments could be material.

(c) Basis of measurement

These financial statements have been prepared on the historical cost basis.

(d) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

(e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

The following discussion sets forth management's most critical estimates, judgments and assumptions in preparation of the financial statements:

Judgments

Going concern - Assessment as to whether there are material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern.

Estimates

Secured convertible promissory notes - The Corporation issues secured convertible promissory notes, which may be comprised of embedded derivatives such as the conversion feature (equity or derivative liability components), the debt host and an element related to below-market interest rate. The

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

identification of components within the secured convertible promissory notes is based on interpretations of the substance of the contractual arrangement and therefore requires judgments and estimates from management.

In line with its accounting policy, the Corporation measures convertible debentures, in its entirety (debt host and convertible component), at fair values at the reporting date. This method requires the input of a number of assumptions including estimated market rate of interest and volatility. These assumptions are determined using management's best estimates and involve inherent uncertainties.

(f) Accounting standards issued but not yet effective

The Corporation reviewed all new and revised accounting standards and pronouncements that are not yet effective and not implemented in these financial statements and determined that there were none issued up to June 30, 2024 that would have a material impact.

3. Material accounting policy information

The Corporation has consistently applied the following accounting policies to all periods presented in these financial statements.

The Corporation adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 1, 2023. The amendments require the disclosure of "material" rather than "significant accounting policies". The amendments did not result in any changes to the accounting policies themselves or have any impact.

(a) Financial instruments

Recognition and derecognition

Trade receivables and debt securities (assets) issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at or fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as subsequently measured at: amortized cost; fair value through other comprehensive income ("FVOCI"); or FVTPL.

The classification is determined by both the Corporation's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Corporation's cash falls into this category of financial asset.

Financial assets at FVTPL

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Corporation does not have any financial assets that are measured at FVTPL.

Financial assets at FVOCI

The Corporation accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to hold to collect the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income ("OCI") will be recycled upon derecognition of the asset.

The Corporation does not have any financial assets in this category.

Classification and initial measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Entity designated a financial liability at FVTPL.

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

The Corporation's accounts payable and accrued liabilities, and promissory notes payable are measured at amortized cost.

The Corporation does not have and has not designated any financial liabilities at FVTPL.

Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to 12 months of expected credit losses. For trade receivables, the Entity applies the simplified approach to providing for expected credit losses, which allows for the use of a lifetime expected credit loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and is related to an event occurring after the impairment was recognized.

Compound financial instruments

Compound financial instruments issued by the Corporation comprises secured convertible promissory notes that can be converted to common shares at the option of the holder.

The Corporation designated its convertible debentures in its entirety (the debt host, conversion feature and any other embedded derivative or component) as financial liability measured at fair value.

The Corporation utilizes appropriate valuation techniques to determine the fair value of the secured convertible promissory notes at each reporting date.

(b) Loss per share

Basic loss per share is calculated by dividing the loss attributable to the shareholders of the Corporation by the weighted average number of shares outstanding during the year.

Diluted loss per share is determined by adjusting the loss attributable to shareholders and the weighted average number of shares outstanding for the effect of all potential shares, which is comprised of any outstanding warrants or options.

Escrow shares, which are considered contingently issuable, are excluded from loss per share calculations.

The calculation of diluted loss per share excludes the effect of various conversions and exercise of options and warrants that would be anti-dilutive due to the losses.

(c) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

shares are recognized as a deduction from equity, net of any tax effects.

(d) Share-based compensation

The Corporation has a stock option plan and share options granted to directors, officers, employees and consultants of the Corporation are accounted for using the fair value method under which compensation expense is recorded based on the estimated fair value of the options at the grant date using the Black-Scholes option pricing model or other option pricing model as relevant.

The Corporation measures share-based payments to non-employees, if applicable, at the fair value of the goods or services received at the date of receipt of the goods or services. If the fair value of the goods or services cannot be measured reliably, the value of the options granted is measured using the Black-Scholes option-pricing model or other option pricing model as relevant.

Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Compensation cost is expensed over the vesting period with a corresponding increase in contributed surplus. When stock options are exercised, the cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

4. Cash

As at June 30, 2024, the Corporation's cash is held jointly at a financial institution which is a Canadian Chartered Bank, as well as in trust in a bank account that is in the name of a numbered company owned jointly by the Chief Executive Officer and a consultant of the Corporation. A Declaration of Trust Deed between the Corporation and the numbered company dated January 6, 2020 is in place to safeguard the Corporation's cash such that all deposits and withdrawals from that bank account are only undertaken based on direction from the Corporation. Management believes that the risk of loss is minimal but the Corporation is subject to concentration of credit risk.

5. Accounts payable and accrued liabilities

| | June 30, 2024 | December 31, 2023 |
|-----------------------|--------------------------|------------------------------|
| | \$ | \$ |
| Accounts payable: | | |
| - related parties | 297,675 | 218,925 |
| - third party vendors | 81,452 | 26,008 |
| | 379,127 | 244,933 |

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

6. Promissory notes

| | June 30, 2024 | December 31, 2023 Restated – Note 14) |
|--|--------------------------|--|
| | \$ | \$ |
| Secured convertible promissory note (i) | 150,000 | 150,000 |
| Secured convertible promissory note (ii) | 62,407 | 62,407 |
| Loan (iii) | 25,000 | 25,000 |
| | 237,407 | 237,407 |

Presented on the statement of financial position as follows:

| | | |
|--|----------------|----------------|
| Current liabilities (due within a year) | 237,407 | 237,407 |
| Non-current liabilities (due after a year) | - | - |
| | 237,407 | 237,407 |

(i) \$150,000 12% secured convertible promissory note:

On December 6, 2021, the Corporation obtained a secured convertible promissory note of \$150,000 from a company owned by a late director and shareholder (the “lender”). This secured convertible promissory note carried interest of 12% per annum and was secured by the licence agreement between the Corporation and Pathway.

This secured convertible promissory note was convertible at any time after the date of issue at the option of the lender into common shares of the Corporation or automatic conversion upon occurrence of a qualifying financing, defined in the lending agreement as the Corporation raising gross proceeds of at least \$1,000,000 from issuance of common shares, before the maturity date. This secured convertible promissory note was also convertible upon occurrence of a liquidity event, which is defined in the lending agreement as: (a) an amalgamation, arrangement or consolidation, (b) the sale, lease, transfer, exclusive license or other disposition, and (c) the sale of common shares to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the United States Securities Act of 1933, among other things.

The conversion price would be equal to the trading price of the Corporation’s common shares as traded on the CSE, with a maximum discount applied (if permitted under CSE rules) or \$0.05 per common share, whichever is lower. At any time before conversion or repayment in full, whether prior to, on or after the maturity date (24 months from issuance), the lender may elect, in its sole discretion, by written notice delivered to the Corporation, to convert the outstanding amount in full into common shares of the Corporation.

Upon initial recognition on December 6, 2021, the cash proceeds received was determined to approximate the fair value of this secured convertible promissory note.

As at December 31, 2021, the fair value of the secured convertible promissory note was determined to be \$150,000.

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

As at December 31, 2022, the fair value of this secured convertible promissory note was determined to be \$131,026. Accordingly, the decrease in fair value of \$18,974 was recorded as a reduction in the secured convertible promissory note balance with a corresponding gain on change in fair value recorded in the statement of loss and comprehensive loss.

This secured convertible promissory note matured on December 6, 2023.

As at December 31, 2023, the promissory note had matured and the fair value of the secured convertible promissory note was determined to be \$150,000. The increase in fair value of \$18,974 was recorded in the secured convertible promissory note balance with a corresponding loss on change in fair value recorded in the statement of loss and comprehensive loss.

During the year ended December 31, 2023, interest expense on this secured convertible promissory note was \$20,814.

During the six months ended June 30, 2024, interest expense on this secured convertible promissory note was \$11,345 (2023 - \$10,012). As at June 30, 2024, the unpaid accrued interest on the secured convertible promissory note was \$46,279 (December 31, 2023 - \$34,934).

(ii) \$75,000 12% secured convertible promissory note:

On December 13, 2022, the Corporation obtained another loan of \$75,000 also by way of a convertible promissory note from the same late director and shareholder (the "lender"). This secured convertible promissory note also carries interest of 12% per annum and is secured by the licence agreement between the Corporation and Pathway. This secured convertible promissory note will mature on December 13, 2024.

This secured convertible promissory note is also convertible under the same conversion terms as the \$150,000 secured convertible promissory noted above.

Upon initial recognition on December 12, 2021, the cash proceeds received was determined to approximate the fair value of this secured convertible promissory note.

As at December 31, 2022, the fair value of the secured convertible promissory note was determined to be \$59,675. Accordingly, the decrease in fair value of \$15,325 was recorded as a reduction in the secured convertible promissory note balance with a corresponding gain on change in fair value recorded in the statement of loss and comprehensive loss.

As at December 31, 2023, the fair value of the secured convertible promissory note was determined to be \$62,407 so the increase in fair value of \$2,732 was recorded in the secured convertible promissory note balance with a corresponding loss on change in fair value recorded in the statement of loss and comprehensive loss.

During the year ended December 31, 2023, interest expense on this secured convertible promissory note was \$9,571.

During the six months ended June 30, 2024, interest expense on this secured convertible promissory note was \$5,217 (2023 - \$4,604). As at June 30, 2024, the unpaid accrued interest on the secured convertible promissory note was \$15,257 (December 31, 2023 - \$10,040).

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

(iii) Loan

On June 16, 2023, the Corporation obtained a loan of \$25,000 from the same late director and shareholder (the "lender"). This loan is unsecured, carries no interest and is due on demand.

7. Share capital

(a) Authorized

Unlimited number of voting common shares, without par value.

Unlimited number of preferred shares issuable in series, as determined by the directors.

(b) Issued

| | Number of shares | Amount \$ |
|--|---------------------|------------------|
| Balance, June 30, 2024 and December 31, 2023 | 36,247,100 | 1,738,186 |

8. Share options

Under the Corporation's share option plan, the Corporation may grant options to its directors, officers, employees and consultants up to a maximum of 10% of the issued common shares. The exercise price of each option is determined by the Board of Directors of the Corporation when such option is granted. The options fully vest and are expensed at grant date. The option's maximum term is five years.

During the six months ended June 30, 2024 and year ended December 31, 2023, the Corporation did not issue any options.

The following is a summary of changes to the Corporation's share options:

| | June 30, 2024 | | | December 31, 2023 | | |
|----------------------------------|----------------|--|--|-------------------|--|--|
| | Number | Weighted average exercise price \$ | Weighed average remaining life (years) | Number | Weighted average exercise price \$ | Weighed average remaining life (years) |
| Outstanding, beginning of period | 250,000 | 0.10 | 2.07 | 2,390,003 | 0.23 | 0.47 |
| Expired | - | - | - | (2,140,003) | 0.25 | - |
| Outstanding, end of period | 250,000 | 0.10 | 1.56 | 250,000 | 0.10 | 2.07 |
| Exercisable, end of period | 250,000 | 0.10 | 1.56 | 250,000 | 0.10 | 2.07 |

2,140,003 share options expired unexercised on March 1, 2023.

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

9. Research and development expenses

During the three and six months ended June 30, 2024, the Corporation incurred research and development expense of \$Nil (2023 - \$Nil).

10. Income tax expense

The Corporation has non-capital losses of approximately \$2,499,180 (December 31, 2023 - \$2,345,625) that are available to offset future taxable income.

11. Related party transactions

Financing transactions

See Note 6.

Operating transactions

See also Notes 1 and 4.

As at June 30, 2024, Swysh provided research and development services to the Corporation totaling \$Nil (2023 - \$Nil). As at June 30, 2024 the Corporation had \$15,750 (December 31, 2023 - \$15,750) payable to Swysh.

Key management compensation

Key management personnel include executive officers and directors. Executive officers include the Chief Executive Officer and Chief Financial Officer, who are also directors of the Corporation.

Executive officers receive consulting fees by virtue of their consulting agreements with the Corporation, and also participate in the Corporation's share option program.

During the six months ended June 30, 2024, consulting fees charged by the executive officers amounted to \$70,000 (2023 - \$Nil), which is recorded in consulting fees in the statement of loss and comprehensive loss. As at June 30, 2024, the Corporation had balance payable of \$281,925 (December 31, 2023 - \$203,175) in relation to consulting fees charged by the executive officers and former executive officers which is included in accounts payable and accrued liabilities.

12. Capital management

The Corporation's capital consists of share capital. The Corporation's objectives when managing capital are:

- to maintain a flexible capital structure, which optimizes the cost of capital and acceptable risk; and
- to maintain investor, creditor and market confidence in order to sustain the future development of the business.

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

The Corporation sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Corporation is not subject to any externally or internally imposed capital requirements at June 30, 2024.

There were no changes in the Corporation's approach to capital management during the three and six months ended June 30, 2024.

13. Financial instruments and risk management

(a) Financial instruments

Fair value measurement

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Corporation's financial instruments are recorded at fair value or at amounts that approximate fair value in the financial statements.

At June 30, 2024 and December 31, 2023, the Corporation's financial instruments consist of cash, accounts payable and accrued liabilities and promissory notes.

The carrying values of cash, accounts payable and accrued liabilities approximate their fair values due to their relatively short periods to maturity or the terms and conditions of their repayment. The promissory notes are recorded at fair value as explained in note 6.

(b) Risk management

The Corporation's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Corporation's exposure to each of these risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. The Corporation employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Corporation's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Corporation's risk management framework, management has the responsibility to administer and monitor these risks.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's cash.

The Corporation's maximum exposure to credit risk associated with financial assets is in relation to cash is equivalent to their carrying amount.

As noted in Note 4, as at June 30, 2024, the Corporation's cash were held jointly at a financial institution as well as in trust. The credit risk exposure on this cash is minimal.

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Corporation's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

As at June 30, 2024, the Corporation has cash of \$1,337 (December 31, 2023 - \$1,312) to settle the above liabilities. See Note 2 (b) going concern.

Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates and equity prices – will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- Interest rate risk:

Interest rate risk is part of market risk and is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Corporation's promissory notes (Note 6) carry fixed rate of interest. As such, the Corporation is not exposed to the risk of interest rate fluctuation.

- Foreign currency risk

As at June 30, 2024 and December 31, 2023, the Corporation did not have any foreign currencies.

14. Restatement

During the years ended December 31, 2022 and 2021, the Corporation received secured convertible promissory notes (Note 6) from a late director and shareholder. The Corporation did not determine the fair values of those secured convertible promissory notes as required under IFRS 9 *Financial Instruments* and it was also subsequently determined that the conversion feature did not meet the fixed-for-fixed equity classification criteria under IAS 32 *Financial Instruments: Presentation*, as such the conversion feature was a derivative liability.

For additional information, refer to note 14 to the audited financial statements for the years ended December 31, 2023 and 2022.

15. Subsequent events

On August 21, 2024, the Corporation announced that it has elected to terminate the previously announced agreement dated February 9, 2024 pursuant to which the Company was to acquire all of the issued and outstanding shares in two private companies being Burton Growers Ltd. and Green-Sight Agri-Holdings Inc. The Corporation cited delays in obtaining regulatory approval and the ongoing impact of other negative market conditions as the principal reasons for its withdrawal and emphasizes

Asia Green Biotechnology Corp.
Condensed Interim Notes to the Financial Statements
For the three and six months ended June 30, 2024 and 2023
(amounts in Canadian dollars)
(unaudited)

that such withdrawal was in no way a reflection on the quality of the properties.

On August 22, 2024, the Corporation announced that it has entered into a non-binding letter of intent (“LOI”) dated August 22, 2024 to acquire all of the issued and outstanding common shares of Paladin Services Group Ltd., a private company that owns a Class II Disposal Well in the Bonnie Glen field area of central Alberta and which has secured disposal commitments from several major producers in the area to inject Class II fluids into the Leduc Formation. Further information is available online at www.sedarplus.ca.