EAT & BEYOND GLOBAL HOLDINGS INC.

FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

FOR THE SEVEN MONTHS ENDED JULY 31, 2022

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Independent Auditor's Report

To the Shareholders of Eat & Beyond Global Holdings Inc.

Opinion

We have audited the financial statements of Eat & Beyond Global Holdings Inc. (the "Company"), which comprise the statement of financial position as at July 31, 2022 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2022, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The financial statements of Eat & Beyond Global Holdings Inc. for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on May 30, 2022.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pejman Mahlooji.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
November 25, 2022

EAT & BEYOND GLOBAL HOLDINGS INC.
Statements of Financial Position
July 31, 2022 and December 31, 2021
(Expressed in Canadian Dollars)

		July 31, 2022		December 31, 2021
ASSETS				
Current				
Cash and cash equivalents	$	120,725	$	933,614
Accounts receivable		75,572		-
Prepaid expenses		127,036		59,324
Note receivable (Note 3)		301,364		44,373
Investments (Note 3)		6,811,656		3,083,067
	$	7,436,353	$	4,120,378
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Notes 4 and 5)	$	642,684	$	432,866
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		16,534,289		7,150,859
Reserves		2,432,824		1,270,805
Deficit		(12,173,444)		(4,734,152)
		6,793,669		3,687,512
	$	7,436,353	$	4,120,378

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

These financial statements were approved by the Board of Directors on November 25, 2022.

"Alexander Somjen"	*"Ravinder Kang"*
Alexander Somjen, Director	*Ravinder Kang, Director*

EAT & BEYOND GLOBAL HOLDINGS INC.
Statements of Loss and Comprehensive Loss
For the seven months ended July 31, 2022 and for the year ended December 31, 2021
(Expressed in Canadian Dollars)

	For the seven months ended July 31, 2022	For the year ended December 31, 2021
Investment income		
Interest earned	$ 119	$ 12,597
Realized gain on disposition of investments (Note 3)	152,161	626,849
Gain (loss) on fair value of investments (Note 3)	(5,563,982)	129,265
Total investment income (loss)	(5,411,702)	768,711
Operating expenses		
Consulting fees (Note 5)	179,852	919,582
Foreign exchange (gain) loss	(5,641)	17,212
Listing and transfer agent fees	92,316	53,727
Investor relations	145,563	1,349,751
Office and administration	57,532	38,333
Professional fees	278,363	288,471
Share-based payments (Notes 5 and 6)	1,162,019	508,127
Travel	33,212	14,594
Wages and benefits (Note 5)	226,536	155,966
Impairment of convertible loan receivable (Note 3)	-	152,998
	2,169,752	3,498,761
Loss before other items:	(7,581,454)	(2,730,050)
Other items		
Expense reimbursement	52,162	-
Gain on debt settlement	90,000	-
	142,162	-
Net loss and comprehensive loss for the period	$ (7,439,292)	$ (2,730,050)
Basic and diluted loss per common share	$ (0.16)	$ (0.09)
Weighted average number of common shares outstanding	46,786,091	31,816,030

EAT & BEYOND GLOBAL HOLDINGS INC.
Statements of Changes in Shareholders' Equity
For the seven months ended July 31, 2022 and for the year ended December 31, 2021
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserve	Deficit	Total Shareholders' Equity
Balance, December 31, 2020	19,779,917	$ 3,296,142	$ 1,823,419	$ (2,004,102)	$ 3,115,459
Private placement	541,270	920,159	211,095	-	1,131,254
Exercise of share purchase warrants	11,735,619	681,222	-	-	681,222
Exercise of stock options	1,963,000	981,500	-	-	981,500
Transfer of fair value on agent's warrants exercised	-	54,776	(54,776)	-	-
Transfer of fair value on stock options exercised	-	1,217,060	(1,217,060)	-	-
Share based payments	-	-	508,127	-	508,127
Net loss for the year	-	-	-	(2,730,050)	(2,730,050)
Balance, December 31, 2021	34,019,806	7,150,859	1,270,805	(4,734,152)	3,687,512
Shares issued for debt settlement	500,000	95,000	-	-	95,000
Shares issued for investment	22,115,310	9,288,430	-	-	9,288,430
Share-based payments – RSU	-	-	224,000	-	224,000
Share-based payments – stock options	-	-	938,019	-	938,019
Net loss for the period	-	-	-	(7,439,292)	(7,439,292)
Balance, July 31, 2022	56,635,116	$ 16,534,289	$ 2,432,824	$ (12,173,444)	$ 6,793,669

See accompanying notes to the financial statements

EAT & BEYOND GLOBAL HOLDINGS INC.
Statements of Cash Flows
For the seven months ended July 31, 2022 and for the year ended December 31, 2021
(Expressed in Canadian Dollars)

	For the seven months ended July 31, 2022		For the year ended December 31, 2021	
Operating Activities				
Net loss for the period	$	(7,439,292)	$	(2,730,050)
Items not affecting cash:				
Foreign Exchange		(5,641)		1,351
Interest receivable		-		(12,597)
Share-based payments		1,162,019		508,127
Gain (loss) on fair value of investments		5,563,982		(129,265)
Realized gain on disposal of investments		(152,161)		(626,849)
Impairment of convertible loan receivable		-		152,998
Gain on debt settlement		(90,000)		-
Changes in non-cash working capital items related to operations:				
Accounts receivable		(75,572)		-
Prepaid expenses		(67,712)		11,905
Accounts payable and accrued liabilities		394,818		339,052
Proceeds on sale of investments		227,887		977,923
Note receivable		(256,218)		(44,373)
Investments		(75,000)		(1,388,740)
Cash used in operating activities		(812,890)		(2,940,518)
Financing Activities				
Shares issued for cash		-		2,793,976
Share issue costs		-		(12,000)
Cash provided by financing activities		-		2,781,976
Change in cash during the period		(812,890)		(158,542)
Cash and cash equivalents, beginning of period		933,614		1,092,156
Cash and cash equivalents, end of the period	$	120,725	$	933,614
Supplemental Disclosure of Cash Flow Information:				
Cash paid during the period:				
Interest	$	-	$	-
Income taxes	$	-	$	-
Non-cash Transactions				
Shares issued for investment	$	9,288,430	$	-
Conversion of convertible note to marketable securities	$	-	$	261,801
Fair value on warrants and stock options exercised	$	-	$	1,271,836
Fair value allocated warrants	$	-	$	211,095
Cash and cash equivalents consist of:				
Cash	$	84,538	$	668,902
Funds in brokerage account		36,007		233,000
Funds held in a trust		180		31,712
Cash and cash equivalents	$	120,725	$	933,614

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Eat & Beyond Global Holdings Inc. formerly known as Eat Beyond Global Holdings Inc. (the "Company") was incorporated on September 9, 2019 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) and changed its name from 1222554 B.C. Ltd. to Eat Beyond Global Holdings Inc. on September 17, 2019. The Company's head office and principal address is Suite 1570 – 505 Burrard Street, Vancouver BC, V7X 1M5. The registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

On November 16, 2020, the Company shares were approved for listing on the Canadian Securities Exchange and is classified as an investment issuer and commenced trading on November 17, 2020 under the trading symbol ("EATS").

On March 29, 2022, the Company changed the name to 'Eat & Beyond Global Holdings Inc.' and changed its year end from December 31, 2021 to July 31, 2022.

The Company's primary focus is on investments in the plant-based protein and meat alternative food industry. The Company's investments may include the acquisition of equity, debt or other securities of publicly traded or private companies or other entities, or financing in exchange for pre-determined royalties or distributions and the acquisition of all or part of one or more businesses, portfolios or other assets, in each case that the Company believes will enhance value for the shareholders of the Company in the long term. The Company holds 100% interest in Mylk Brands Inc. as a private equity investment.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at July 31, 2022, the Company is not able to finance day to day activities through operations and has an accumulated deficit of $12,173,444 (December 31, 2021 – $4,734,152). The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs through the issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. The Company has determined that it meets the definition of an investment entity in accordance with IFRS 10, Consolidated Financial Statements ("IFRS 10"), and accordingly all investments have been recorded as investments at fair value through profit or loss. The principal accounting policies applied in the preparation of these financial statements are set out below.

These financial statements were reviewed and authorized for issue by the Board of Directors on November 25, 2022.

Basis of measurement
These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, unless otherwise noted.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant judgements

In accordance with IFRS, the Company is required to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification of financial instruments.

Significant estimates

Estimates and assumptions where there is significant risk of material adjustments to the consolidated statement of financial position in future accounting periods include the recoverability and measurement are as follows:

- Fair value of private company investments – Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgement is required to establish fair value and this value may not be indicative of recoverable value;

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant estimates and assumptions (continued)

Significant estimates (continued)

- Determination of investment entity - The preparation of the financial statements requires management to make significant judgments and assumptions in determining how the Company meets the definition of an investment entity as previously discussed in Note 1. Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at FVTPL in accordance with IFRS 9 rather than to consolidate them. An investment entity is an entity that meets all of the following criteria:

a) An entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
   - The Company's main source of financing since inception had been via funds received from investors.
   - Through ownership of the Company's shares, these investors are provided with investment management services through their right to investment returns via the performance of the Company's investments.

b) An entity that commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
   - The Company has communicated to investors via corporate documents that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.

c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.
   - Substantially all of the Company's investment portfolio has been carried at fair value since inception.

Based on the analysis above, management has concluded that the Company meets the definition of an investment entity as all of the criteria are met. This will be reassessed on a continuous basis, in case any of the criteria or characteristics change.

Accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements unless otherwise indicated.

Cash and cash equivalents

Cash is comprised of cash on hand and cash held in trust accounts. Cash equivalents are short-term, highly liquid investments with maturities within three months when acquired. As at July 31, 2022, the Company had funds held in trust of $180 (December 31, 2021 - $31,712).

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are accounted for in accordance with IFRS 9, "Financial Instruments: Classification and Measurement". A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Investments are measured at FVTPL. Cash and cash equivalents, note receivable and accounts receivables are measured at amortized cost.

Investments
All investments except investments in notes receivables are classified upon initial recognition at FVTPL, with changes in fair value reported in profit or loss. Purchases and sales of investments are recognized on the settlement date. Investments at FVPTL are initially recognized at fair value. Transaction costs are expensed as incurred in profit or loss. Investments in notes receivables are initially measured at fair value then subsequently measured at amortized cost using the effective interest rate method.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the FVTPL investments are recognized in profit or loss.

Investments in common shares of public companies are measured at fair value based on published market prices with unrealized gains and losses recognized through profit or loss. The valuation of these shares has been determined in whole by reference to the close price of the shares on the TSX, TSX Venture Exchange or Canadian Securities Exchange ("CSE") at each reporting date. Various warrants have been received as attachments to share purchase units and do not trade in an active market. At the time of purchase, the per unit cost is allocated to common shares and warrants using the residual value method. The value of the warrants is subsequently determined at the measurement date using the Black-Scholes option pricing model.

All privately held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted with unrealized gains and losses recognized through profit or loss. The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets
IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

Impairment
An 'expected credit loss' impairment model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In subsequent periods, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities
Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified as and carried on the statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit and loss.

Convertible loan receivable
The determination of fair value of the Company's convertible notes receivable - Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a convertible notes receivable should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing long-term investments and convertible notes receivable.

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

Financial instruments (continued)

Convertible loan receivable (continued)

The fair value of convertible notes receivable may be adjusted if:

- There has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
- There have been significant corporate, political, or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
- The investee company is placed into receivership or bankruptcy;
- Based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;
- Important positive/negative management changes by the investee company that the Company's management believes will have a positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustment to the fair value of a convertible notes receivable will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

The determination of the fair value of the Company's convertible debentures – Fair value is determined using the quoted price in the over-the- counter broker market. As the convertible debentures are classified as FVTPL, the subsequent interest as well as change in the fair value will flow through the statement of loss and comprehensive loss. There is judgement in assessing what portion of the gain/loss, if any, relates to the change in the Company's own risk.

Derivative financial instruments
Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The classification determines the method by which the financial instruments are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company does not currently recognize any derivate financial instruments.

Revenue recognition

Realized gain or loss on disposal of investments and unrealized gain or loss on investments are determined based on year end value. Interest income is recorded on an accrual basis. Divided income is recognized on the ex-dividend date.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting net loss and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees and warrants outstanding. The weighted average number of diluted shares is calculated in accordance with the treasury stock method. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price during the period. For the period ending July 31, 2022, 3,547,000 (December 31, 2021 – 997,000) options and 552,243 (December 31, 2021 – 802,243) share purchase warrants were not included in the calculation of diluted loss per share as their inclusion was anti-dilutive.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as deduction from equity, net any related income tax effects.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued)

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other compensatory transactions costs are accounted for as share-based payments.

Share based compensation

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Upon expiry of the options, the fair value recorded in reserves account remains unchanged.

Restricted share units

The Company measures the cost of equity-settled share-based transactions by reference to the fair value of the equity instruments at the date at which they are granted. For restricted share units (“RSU”), the fair value of the grant is determined by multiplying the Company’s share price at grant date by the number of RSU granted. The resulting fair value of the RSU is then adjusted for an estimated forfeiture rate which is determined based on historical data and is recognized over the vesting period. Actual number of RSU that will eventually vest is likely to be different from estimation.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, and related parties may be individuals, including immediate family members of the individual, or corporate entities, including the Company’s wholly-owned subsidiaries. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss for the period.

Accounting standards and interpretations issued but not yet adopted

Certain pronouncements issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2022 are either not applicable or are not expected to have a significant impact on the Company's financial statements. These updates are not applicable or consequential to the Company and have been omitted from discussion herein.

3. INVESTMENTS

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. The investments in unlisted and listed warrants of private and public companies are valued using the Black-Scholes option pricing model, with the following assumptions: risk-free rate of 2.87% to 3.08%; volatility of 100%, expected life of warrant 0.67 to 3.5 years and dividend yield of 0%. The carrying values are marked to market and the resulting gain or loss from marketable securities are recorded against earnings. A continuity of the Company's marketable securities is as follows:

(Expressed in Canadian dollars)

3. INVESTMENTS

	Ref.	Note	Number of shares/Units Held	Investment Cost	Fair Value at December 31, 2021	Additions (disposition)	Fair value adjustment	Foreign exchange	Fair Value at July 31, 2022
			#	$	$	$	$	$	$
Public Companies									
1181718 BC Ltd. (dba Fresh Factory)	a	(i)	50,000	63,500	56,500	-	(15,500)	-	41,000
Good Natured Products Inc.	b	(i)	-	-	3,786	(726)	(3,060)	-	-
Greenspace Brands Inc.	c		-	-	-	-	-	-	-
Nabati Foods Inc.	d	(i, ii)	748,003	261,801	336,601	-	(306,681)	-	29,920
Plantfuel Life Inc. (formerly Sire Biosciences Inc.)	e	(i)	55,555	50,000	66,111	-	(56,666)	-	9,444
The Very Good Food Company Inc.	f	(i)	25,000	6,250	23,250	-	(16,125)	-	7,125
Zoglo's Incredible Food Corp.	g	(i)	500,000	50,000	102,500	-	(72,500)	-	30,000
Private Companies									
Above Food	i	(i)	25,000	50,000	50,000	-	-	-	50,000
Beyond Moo	j	(iii)	3,792,475	768,447	1,011,326	-	-	-	1,011,326
Circular Solutions Inc.	k	(i)	200,000	30,000	30,000	-	-	-	30,000
Daydream Drinks (11270702 Canada Inc.)	h	(i)	50,000	75,000	75,000	-	-	-	75,000
Eat Just Inc.	n	(i)	7,998	199,927	105,713			1,217	106,931
Mylk Brands	m	(iv)	34,791,759	9,288,430	-	9,288,430	(4,720,430)	-	4,568,000
Plant Power Restaurant Group LLC	l	(i, ii)	112,107	317,257	316,950		(218,008)	3,650	102,592
TurtleTree Labs Pte. Ltd.	o	(i)	21,923	200,205	736,613	-	-	-	736,613
Investment in warrants		(i)	NA	-	168,717	-	(155,012)	-	13,705
Total				11,360,817	3,083,067	9,287,704	(5,563,982)	4,867	6,811,656

(Expressed in Canadian dollars)

3. INVESTMENTS (continued)

	Note	Number of shares/Units Held	Investment Cost	Fair value at December 31, 2020	Additions (disposition)	Fair value adjustment	Foreign exchange	Fair Value at December 31, 2021
		#	$					$
Public Companies								
1181718 BC Ltd. (dba Fresh Factory)	(i)	50,000	63,500	-	63,500	-	(7,000)	56,500
Greenspace Brands Inc.		-	-	290,538	(251,800)	(38,738)	-	-
Good Natured Products Inc.	(i)	5,186	726	642,857	(99,274)	(539,797)	-	3,786
Nabati Foods Inc.	(i, ii)	748,003	261,801	-	261,801	74,800	-	336,601
Plantfuel Life Inc. (formerly Sire Biosciences Inc.)	(i)	55,555	50,000	-	50,000	16,111	-	66,111
The Very Good Food Company Inc.	(i)	25,000	6,250	155,250		(132,000)	-	23,250
Zoglo's Incredible Food Corp.	(i)	500,000	50,000	-	50,000	52,500	-	102,500
Private Companies								
Above Food	(i)	25,000	50,000	-	50,000	-	-	50,000
Beyond Moo	(iii)	3,792,475	768,447	-	768,447	242,879	-	1,011,326
Circular Solutions Inc.	(i)	200,000	30,000	-	30,000	-	-	30,000
Daydream Drinks (11270702 Canada Inc.)	(i)	50,000	75,000	-	75,000	-	-	75,000
Eat Just Inc.	(i)	7,998	199,927	113,870	-		(8,157)	105,713
Plant Power Restaurant Group LLC	(i, ii)	112,107	317,257	-	317,257		(307)	316,950
TurtleTree Labs Pte. Ltd.	(i)	21,923	200,205	200,205	-	536,408	-	736,613
Investment in warrants	(i)	NA	-	251,615	-	(82,898)	-	168,717
Total			2,073,113	1,654,335	1,314,931	129,265	(15,464)	3,083,067

Note
(i) The Company owns less than 10% interest in the investee as at July 31, 2022 and December 31, 2021.
(ii) A director and/or officer of the Company is a director and/or officer of the investee as at July 31, 2022 and December 31, 2021.
(iii) The Company owns 32% of the outstanding common shares and the CEO is a director of the investee as at July 31, 2022 and December 31, 2021. There are no contractual arrangements. Refer to Note 2 for details relating to the exemption to consolidating particular subsidiaries and the exemption from accounting for associates using the equity method for investment entities.
(iv) The Company owns 100% interest in the investee as at July 31, 2022.

During the seven months ended July 31, 2022, the Company sold some of its marketable securities for total proceeds of $227,887 (December 31, 2021 - $977,923) and realized a gain of $152,161 (December 31, 2021 - $626,849).

3. INVESTMENTS (continued)

Public Companies

a) On July 21, 2021, the Company subscribed $63,500 to a non-brokered private placement in 1181718 BC Ltd (dba Fresh Factory). for 50,000 common shares at a price of $1.27 per share.

b) On August 31, 2020, the Company subscribed $100,000 to a non-brokered placement in Good Natured Products Inc. for 714,286 units at a price of $0.14 per share. Each unit consisted of one common share and one-half of one share purchase warrants. Each whole warrant entitled the holder to purchase one additional common share at a price of $0.21 per share expiring on March 3, 2022. During the year ended December 31, 2021, the Company disposed of 709,100 common shares for total proceeds of $669,937. On January 24, 2022, the Company exercised its warrants and received 357,143 common shares for a total price of $75,000. During period ended July 31, 2022, the Company disposed of 362,329 common shares for total proceeds of $227,887.

c) On March 6, 2020, the Company subscribed $400,000 to a non-brokered placement in Greenspace Brands Inc. for 6,153,846 common shares at a price of $0.065 per share. During the year ended December 31, 2021, the Company disposed of 3,873,846 (December 31, 2020 – 2,280,000) common shares for total proceeds of $307,985 (December 31, 2020 - $146,963).

d) On September 29, 2020, the Company loaned $250,000 through a convertible note (“Note”) to Nabati Foods Inc. (“Nabati”). The Note earns interest at 10% per annum, payable annually, with a five-year maturity. At any time prior to maturity, the Company has the right to convert all or any portion of the Note into fully paid and non-assessable Class A voting shares of Nabati. As at December 31, 2020, the Company determined that the expected cash flow of the note and accrued interest approximates the fair value of the note. During the year ended December 31, 2021, the convertible note and its interest receivable totaling $261,801 were converted into 748,003 common shares and 374,002 warrants of Nabati. Each warrant is exercisable for a period expiring two years from the date of issuance at a price of $0.625 per warrant. The warrants have been fair valued using the Black-Scholes with inputs as noted above.

e) On June 21, 2022, the Company subscribed $50,000 to a non-brokered private placement in Plantfuel Life Inc. (formerly Sire Biosciences) for 333,334 common shares at a price of $0.15 per share.

f) On June 8, 2020, the Company subscribed $50,000 to an initial public offering in The Very Good Food Company Inc. for 200,000 common shares at a price of $0.25 per share. During the year ended December 31, 2021, the Company disposed of 175,000 common shares for total proceeds of $607,957.

g) On January 6, 2021, the Company subscribed $50,000 to a non-brokered private placement in Zoglos Incredible Food Corp for 500,000 common shares at a price of $0.10 per share.

Private Companies

h) On May 5, 2021, the Company subscribed $75,000 to a private placement offering in 11270702 Canada Inc. (dba Daydream Drinks) for 50,000 common shares at a price of $1.50 per share. Based on limited information available as at December 31, 2021 and July 31, 2022, its cost represents its fair value.

3. **INVESTMENTS** (continued)

Private Companies (continued)

i) On January 21, 2021, the Company subscribed $50,000 to an initial public offering in Above Food Corp. for 25,000 units at a price of $2.00 per share. Each unit consisted of one common share and one half of one share purchase warrant. Each whole warrant will entitle the Company to purchase one common share at a price of $3.75 per share. The Company fair valued the warrants using the Black-Scholes option pricing model with the following assumptions: risk-free rate of 0.97% to 2.87%; volatility of between 100%, expected life of warrant 3.43 to 4 years and dividend yield of 0%. Based on limited information available as at December 31, 2021 and July 31, 2022, the cost of the common shares represents its fair value.

j) In October 2021, the Company subscribed $268,447 to a private placement offering in Beyond Moo for 1,917,475 common shares at a price of $0.14 per share. In November 2021, the Company subscribed another $500,000 to a private placement offering in Beyond Moo for 1,875,000 common shares at a price of $0.2667 per share. As at December 31, 2021, the Company fair valued the investment in Beyond Moo based on the most recent private placement of $0.2667 per share. As at July 31, 2022, the Company determined its recoverable amount by calculating its value in using a five year discounted cash flow model ("DCF") on strategic plan based on management's expectations of market growth, industry reports and trends, and past performances. These projections are inherently uncertain due to the growth-oriented strategies of the company and the emerging market. The DCF model included projections surrounding revenue, cost of sales expenses, discount rate and revenue terminal growth rates. For Beyond Moo, the Company expects growth of $24,500,000 in revenues by 2026 upon the launch of new products and the use of an annual revenue terminal growth rate of 4% beyond the launch of new products, operating expenses were projected to grow in line with revenue growth. The discount rates used to calculate the recoverable amounts reflect the specific risks and market conditions of 27.9%. A change in revenue terminal growth rate of 1% will have an effect of approximately $79,000 higher/lower in the recoverable amount, and a change in the discount rate of 1% will have an effect of approximately $115,000 higher/lower in the recoverable amount.

k) On June 1, 2021, the Company subscribed $30,000 to a private placement offering in Circular Solutions Inc. for 200,000 common shares at a price of $0.15 per share. Based on limited information available the Company has assumed that as at December 31, 2021 and July 31, 2022 its cost continues to represent its fair value.

l) On February 21, 2021, the Company subscribed $317,258 (US$250,000) to a private placement in Plant Power Inc. for 112,107 Series A Preferred shares at a price of $2.83 (US$2.23) per share. As at December 31, 2021, the cost represented its fair value. During the period ended July 31, 2022, there was a decline in the vegan fast food industries, as a result the Company recognized a $218,008 write-down of its investment in Plant Power based on the analysis of the decline in the market prices of comparable public companies.

m) On April 1, 2022, the Company acquired all of the issued outstanding shares of Mylk Brands Inc. totaling 34,791,759, as consideration, the Company issued 22,115,310 common shares of the Company at a fair value of $9,288,430. During the period ended July 31, 2022, the Company recognized a $4,720,430 write-down of its investment in Mylk Brands Inc. utilizing the DCF. The model expects growth of up to $19,000,000 in revenues by 2026 upon the launch of new products and the use of a revenue terminal growth rate of 4% beyond the launch of new products, operating expenses were projected to grow in line with revenue growth. The discount rates used to calculate the recoverable amounts reflect the specific risks and market conditions of 26.4%. The carrying value of Mylk Brands Inc. was greater than the estimated recoverable amount. A change in revenue terminal growth of 1% will have an effect of approximately $126,000 higher/lower in the recoverable amount, and a change in the discount rate of 1% will have an effect of approximately $400,000 higher/lower in the recoverable amount.

(Expressed in Canadian dollars)

3. INVESTMENTS (continued)

Private Companies (continued)

n) On October 2020, the Company subscribed for 8,000 share purchase warrants of Eat Just, Inc. for total proceeds of $86,058 (US$64,720) and subsequently in October 2020, the Company exercised the share purchase warrants for 7,998 common shares of Eat Just, Inc. for $113,869 (US$86,252). During the year ended December 31, 2020, the Company recorded a write-down of $86,058 to reflect the fair value of the shares purchased. Based on current market trends the Company has assumed that as at December 31, 2021 and July 31, 2022 its cost continues to represent its fair value

o) On October 2020, the Company subscripted for $200,205 (US$150,000) in TurtleTree Labs Pte Ltd. (“TurtleTree”) in a Simple Agreement for Future Equity (“SAFE”). On September 25, 2021, the SAFE Note was converted into 21,923 Series A-5 Preference shares at a price of US$6.8419 per share. As at December 31,2021 and July 31, 2022, the Company has determined that the most recent financing was for Series A-1 Preference Shares which receive liquidation preference over Series A-5 Preference Shares in the case of a liquidation event. Management has assessed that the likelihood of a liquidation event occurring is unlikely and has used this latest financing as a basis for fair value.

Convertible note receivables

On September 18, 2020, the Company loaned $144,989 (US$113,878) through a convertible note in SingCell TX Pte Ltd. (“SingCell”). The Note earns interest at 5% per annum with a maturity date of September 16, 2023. Interest is payable on the maturity date. The Note will automatically convert into fully paid senior shares at the conversion price based on certain events. As at December 31, 2021, the Company recorded an impairment of the convertible note receivable of $152,998 as SingCell was no longer operational.

Note receivable

As at December 31, 2021, the Company loaned $44,373 (US$35,000) through a promissory note to Mylk Brands Inc. (“Mylk”). No interest will accrue on the principal amount unless Mylk is in default under the terms of this Note. If Mylk is in default, then in addition to the other remedies available to Mylk, interest at the rate of 10% shall apply to all outstanding balances (including accrued interest) until the amounts owing under this Note are brought into good standing. Mylk will not be required to make monthly payments and is due on demand. During the seven months ended July 31, 2022, the Company advanced another $256,218 (US$200,000) with similar terms and recorded a foreign currency difference of $773 for a note receivable balance of $301,364 as at July 31, 2022.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2022	December 31, 2021
	$	$
Accounts payable	522,438	331,147
Accrued liabilities	98,795	58,243
Payroll tax liabilities	21,451	43,476
	642,684	432,866

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The Company entered into the following transactions with related parties during the seven months ended July 31, 2022 and for the year ended December 31, 2021.

	July 31, 2022	**December 31, 2021**
	$	$
Consulting fees paid to a company controlled by the former CEO	-	63,709
Consulting fees paid to a company controlled by CFO	29,400	50,400
Consulting fees paid to a company with a common director	-	40,425
Wages and benefits paid to CEO	163,333	138,889
Share based payments	754,592	-
	947,325	293,423

As at July 31, 2022, accounts payable and accrued liabilities include $8,400 (December 31, 2021 - $8,400) due to related parties for unpaid consulting fees and unpaid wages.

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value

Common shares

During the seven months ended July 31, 2022:

On April 1, 2022, the Company issued 22,115,310 common shares pursuant to the acquisition of Mylk Brands Inc. fair value at $9,288,430.

On May 31, 2022, the Company issued 500,000 common shares to settle debt of $185,000 resulting in a gain on debt settlement of $90,000.

During the year ended December 31, 2021:

On April 9, 2021, the Company issued 541,270 units at a price of $2.09 per unit for total proceeds of $1,131,254. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant will entitle the holder to purchase one additional share at a price of $2.50 per share expiring on April 9, 2023. The Company utilizes the residual value method and have allocated a residual value of $211,095 to the warrants.

During the year ended December 31, 2021, 11,735,619 share purchase warrants were exercised for total proceeds of $681,222. The Company transferred $54,776 from reserves as 209,869 share purchase warrants were agent's warrants.

During the year ended December 31, 2021, 1,963,000 stock options were exercised for total proceeds of $981,500. The Company transferred $1,217,060 from reserves. Total weighted average of the stock options exercised was $0.84 per share and the market value price was $2.04.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Share Purchase Warrants

The following is a summary of the Company's share purchase warrants for the seven months ended July 31, 2022, and for the year ended December 31, 2021 are as follows:

	Number of warrants	Weighted average exercise price
		$
Balance, December 31, 2020	11,996,592	0.06
Exercised	(11,735,619)	0.06
Issued	541,270	2.50
Balance, December 31, 2021	802,243	1.71
Expired	(250,000)	0.05
Balance, July 31, 2022	552,243	2.46

As at July 31, 2022, the Company had the following share purchase warrants outstanding:

Date of expiry	Exercise price	Number of warrants	Weighted average life (years)
	$		
August 12, 2022*	0.50	10,973	0.03
April 9, 2023	2.50	541,270	0.69
		552,243	0.68

*Subsequently expired unexercised.

Stock Options

The Company has a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 15% of the issued and outstanding common shares of the Company. The options term and vesting conditions are determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

On May 27, 2022, the Company granted 150,000 stock options to consultants of the Company whereas 50,000 stock options vested on the date of grant and the remaining 100,000 stock options will vest as follows: 33,333 stock options based on whether or not a majority owned portfolio company sales increase by $1,000,000 from the purchase date, another 33,333 stock options based on whether or not a majority owned portfolio company has positive cash flows and another 33,334 stock options upon the occurrence of a mutually agreed upon criteria. The stock options entitle the holder the right to purchase one common share at the exercisable price of $0.20 per share expiring on May 27, 2027. The Company recorded a fair value of $7,000 for the 50,000 stock option that vested on the date of grant was calculated using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of $0.19; risk-free interest rate of 2.6%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. Management has made an assessment of the probability of achieving the performance milestones and determine the fair value of the performance stock options is $Nil.

6. SHARE CAPITAL (continued)

Stock Options (continued)

On February 8, 2022, the Company granted 300,000 stock options to consultants of the Company that vested 33.3% on the date of grant and every six months thereafter with the last tranche vesting on February 8, 2023. The stock option entitled the holder the right to purchase one common share at the exercisable price of $0.56 per share expiring on February 8, 2025. The fair value of the stock of $105,000 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of $0.56; risk-free interest rate of 1.57%; Dividend yield of 0%; Expected life of 3 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the period ended July 31, 2022, the Company recorded $85,007 in share-based payments.

On February 8, 2022, the Company granted 450,000 stock options to the CEO of the Company that vested 33.3% on the date of grant and every six months thereafter with the last tranche vesting on February 8, 2023. The stock option entitled the holder the right to purchase one common share at the exercisable price of $0.56 per share expiring on February 8, 2027. The fair value of the stock of $189,000 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of $0.56; risk-free interest rate of 1.79%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the period ended July 31, 2022, the Company recorded $153,012 in share-based payments.

On February 8, 2022, the Company granted 1,650,000 stock options to consultants and directors of the Company that vested at the date of grant. The stock option entitled the holder the right to purchase one common share at the exercisable price of $0.56 per share expiring on February 8, 2027. The fair value of the stock of $693,000 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of $0.56; risk-free interest rate of 1.79%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the period ended July 31, 2022, the Company recorded $693,000 in share-based payments.

On January 6, 2021, the Company granted 150,000 stock options to a consultant of the Company that vested at the date of grant. The stock option entitled the holders the option to purchase one common share at $2.60 per share expiring on January 6, 2026. The fair value of the stock of $288,264 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of $2.60; risk-free interest rate of 0.41%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended December 31, 2021, the Company recorded $288,264 in share-based payments.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Stock Options – (continued)

The changes in stock options were as follows:

	Number of Stock Options	Weighted average exercise price
		$
Balance, December 31, 2020	2,810,000	0.51
Granted	150,000	2.60
Exercised	(1,963,000)	0.50
Balance, December 31, 2021	997,000	0.84
Granted	2,550,000	0.54
Balance, July 31, 2022	3,547,000	0.62

As at July 31, 2022, the Company had 3,547,000 stock options outstanding as follows:

Number of Stock Options	**Exercisable**	**Exercise Price**	**Expiry Date**
300,000	99,900	$0.56	February 8, 2025
747,000	747,000	$0.50	November 17, 2025
100,000	100,000	$0.71	November 25, 2025
150,000	150,000	$2.60	January 6, 2026
450,000	149,850	$0.56	February 8, 2027
1,650,000	1,650,000	$0.56	February 8, 2027
150,000	50,000	$0.20	May 27, 2027
3,547,000	2,946,750		

Restricted Share Unit Plan

On November 17, 2020, the Company adopted a Restricted Share Unit Plan ("RSU Plan") whereby the maximum number of common shares reserved for issue under the RSU Plan shall not exceed 25% of the issued and outstanding common shares of the Company. In addition, the aggregate number of common shares issuable pursuant to the RSU Plan combined with all of the Company's other security based compensation arrangements, including the Company's Stock Option Plan, shall not exceed 25% of the Company's outstanding common shares.

On February 8, 2022, the Company granted 400,000 RSUs. The granted RSUs vested at the date of grant. During the seven months ended July 31, 2022, the Company recognized $224,000 as share-based payment, and as the Company intends to settle the RSUs through equity settlement, recorded a corresponding credit to reserve.

The changes in RSU were as follows:

	July 31, 2022	**December 31, 2021**
Balance, beginning of period	500,000	500,000
Granted	400,000	-
Balance, end of period	900,000	500,000

As at July 31, 2022, the 900,000 RSUs have vested but shares unissued.

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

8. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, currency risk and price risk.

a) Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company considers its exposure to interest rate risk to be not significant.

b) Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution. As such, the Company’s credit exposure is minimal. The Company is exposed to credit risk with respect to the note receivable, and the maximum exposure is its carrying amount on the statements of financial position.

c) Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

d) Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. As at July 31, 2022, the Company’s had equity investments denominated in US dollars of US$3,180,173 translated at period-end rate of $1.28. These factors expose the company to foreign currency exchange rate risk, which could have a materially adverse effect on the profitability of the Company. A 10% change in the exchange rate would change the statement of loss and comprehensive loss by approximately $489,000.

e) Price risk: Equity price risk is the risk of potential loss to the Company’s earnings due to movements in individual equity prices or general movements in the level of the stock market. As at July 31, 2022, the Company's equity investments of $6,811,656, are subject to fair value fluctuations. If the fair value of the Company's investments had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the period ended July 31, 2022 would have been approximately $681,000 (December 31, 2021 – $308,000) higher/lower.

8. FINANCIAL INSTRUMENTS – (continued)

The fair value of the Company's investments are determined as follows:

Listed securities

The fair value of securities traded on active markets are based on quoted market prices at the close of trading on the reporting date. The Company uses the last traded market price where the last trade price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The fair value of securities that are subject to trading restrictions are recorded at a value that takes into account the length and nature of the restrictions.

Unlisted securities

For investments that are not publicly traded, subsequent to initial recognition, the fair value of these investments is determined by the Company using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio.

For unlisted equity instruments:

• Investments are valued at cost for a limited period after the date of acquisition, if the purchase price remains representative of the fair value at the reporting date; otherwise, investments are valued using one of the other methodologies detailed below.

• Investments in which there has been recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate, if an external investor is motivated by strategic considerations.

• Investments in which there has been a recent financing round involving only existing investor participating proportionally to their existing investment are examined as to whether specific conditions exist that could reduce the reliability of this financing round as an indication of real value. An internal financing with investors at a lower price than the valuation at the previous reporting date may indicate a decrease in value and is taken into consideration.

• Investments that have achieved an exit after the valuation date but before finalization of the financial statements are valued based on the exit valuation, if the exit valuation was reasonably evident at the measurement date.

• Investment in which there has been a recent private secondary market trade of meaningful volume and the transaction is undertaken by sophisticated, arm's length investors are valued at the price of the recent trade and are adjusted, as appropriated, if the purchaser is motivated by strategic considerations.

• Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS – (continued)

For public company warrants (i.e., the underlying security of which is traded on a recognized stock exchange), valuation models such as the Black-Scholes model are used when there are sufficient and reliable observable market inputs. These market inputs include risk-free interest rate, exercise price, market price at date of valuation, expected dividend yield, expected life of the instrument and expected volatility of the underlying security. To the extent that the market inputs are insufficient or unreliable, the warrants are valued at their intrinsic value, which is equal to the higher of the closing price of the underlying security less the exercise price of the warrant, or nil. For private company warrants, the underlying security is not traded on a recognized stock exchange, therefore fair value is determined consistent with other investments that do not have an active market, as described above.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Investments in public companies are classified as fair value through profit or loss and measured at fair value using Level 1 and investments in private companies are measured at fair value using level 3 inputs. The Company's investment in warrants are measured at fair value using Level 2 inputs. The fair values of other financial instruments, which include cash and cash equivalents, accounts receivable, note receivable, and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term nature of these instruments.

The Company's financial instruments measured at fair values through profit or loss are as follows:

July 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Investments	-			
Public investments	117,489	19		117,508
Private investments	-	736,613	5,957,535	6,694,148
	117,489	736,632	5,957,535	6,811,656
Note receivable	-	301,364	-	301,364
	117,489	1,037,996	5,957,535	7,113,020

December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Investments				
Public investments	588,748	154,104		742,852
Private investments	-	1,762,552	577,663	2,340,215
	588,748	1,916,656	577,663	3,083,067
Note receivable	-	44,373	-	44,373
	588,748	1,961,029	577,663	3,127,440

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS – (continued)

Level 2 Hierarchy

During the year ended December 31, 2021, $250,000 of the convertible note plus interest of $11,801 were converted into common shares of a public entity. During the period ended July 31, 2022, the Company had private company investments that were not fair valued using the most recent private placement; accordingly, these investments have been transferred to Level 3.

	July 31, 2022	**December 31, 2021**
	$	$
Balance, beginning of period	1,961,029	251,615
Transferred to level 2	-	968,652
Transfer to level 3	(1,025,012)	-
Unrealized and realized gain (loss)	(155,012)	696,389
Note Receivable	256,218	44,373
Foreign Exchange	773	-
Balance, end of period	1,037,996	1,961,029

Level 3 Hierarchy

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, discounted cash flow assumptions and trends in general market conditions.

	July 31, 2022	**December 31, 2021**
	$	$
Balance, beginning of period	577,663	314,075
Purchase at cost	9,288,430	1,404,204
Transferred to level 1	-	(163,500)
Transferred to level 2	-	(968,652)
Transferred to level 3	1,025,012	-
Adjustment for foreign exchange	4,868	(8,464)
Unrealized and realized gain (loss)	(4,938,438)	-
Balance, end of period	5,957,535	577,663

(Expressed in Canadian dollars)

9. INCOME TAXES

A reconciliation of the Company's expected income tax recovery to actual income tax recovery is as follows:

	July 31, 2022	**December 31, 2021**
	$	$
Loss before income taxes	(7,439,292)	(2,730,050)
Statutory income tax rates	27%	27%
Computed income tax recovery	(2,009,000)	(737,000)
Change in statutory, foreign tax, foreign exchange rates and other	-	101,000
Share issue costs	-	(50,000)
Permanent difference	274,000	(32,000)
Change in unrecognized deductible temporary differences	1,735,000	718,000
Income tax recovery	-	-

The significant components of the Company’s deferred tax assets and liabilities are as follows:

	July 31, 2022	**December 31, 2021**
	$	$
Deferred tax assets:		
Share issuance costs	24,000	30,000
Investments	1,205,000	(310,000)
Non-capital losses	1,479,000	1,241,000
	2,708,000	961,000
Unrecognized deferred tax assets	(2,708,000)	(961,000)

The significant components of the Company’s temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	Expiry	**July 31, 2022**	**December 31, 2021**
Share issuance costs	2025	89,000	111,000
Investments	No expiry date	4,463,000	
Non-capital losses	Commencing 2039	5,479,000	4,596,000

10. SUBSEQUENT EVENTS

Subsequent to July 31, 2022:

The Company advanced US$50,000 to Mylk Brands. No interest will accrue on the principal amount unless Mylk is in default under the terms of this Note. If Mylk is in default, then in addition to the other remedies available to Mylk, interest at the rate of 10% shall apply to all outstanding balances (including accrued interest) until the amounts owing under this Note are brought into good standing. Mylk will not be required to make monthly payments and is due on demand.

Pursuant to the Prospectus Supplement filed on October 7, 2022, together with the short form base shelf prospectus dated August 31, 2022, qualifies for distribution of common shares (the "Offering Shares") of the Company to an aggregate of $12,500,000 ("Offering"). The Company has entered into an "at-the-market" equity distribution agreement dated October 7, 2022, with Research Capital Corporation (the "Agent') relating to the Offering. The Offering Shares will be distributed at market prices prevailing at the time of the sale of such Offering Shares. The Company will compensate the Agent for its services in an amount equal to 2.0% of the gross proceeds from the sales of Offered Shares. As at November 25, 2022 the Company issued 67,000 common shares for total gross proceeds of $6,538.