EAT & BEYOND GLOBAL HOLDINGS INC.

FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

FOR THE YEARS ENDED JULY 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Eat & Beyond Global Holdings Inc.

Opinion

We have audited the financial statements of Eat & Beyond Global Holdings Inc. (the Company) which comprise:

- the consolidated statement of financial position as at July 31, 2024;
- the consolidated statement of loss and comprehensive loss for the year then ended;
- the consolidated statement of changes in equity (deficit) for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company as of July 31, 2023 and for the year then ended, which are presented for comparative purposes, were audited by another auditor who expressed an unmodified opinion on those financial statements on November 28, 2023.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended July 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, the key audit matter to be communicated in our auditors' report is as follows:

Valuation of equity investments in private companies

We draw attention to Notes 2 and 3 to the financial statements. The Company holds investments in the equity of private companies, which are classified as at fair value through profit and loss. Equity investments are initially recorded at fair value at the time of acquisition. At each reporting period thereafter, 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, which requires significant judgement by management.

We considered the valuation of equity investments in private companies to be a key audit matter due to the significant judgments used by management when determining their fair values. The valuation of equity investments in private companies is inherently subjective and involves the use of significant management judgment and unobservable market inputs. As a result, the procedures related to assessing the appropriateness of the valuation methodologies and unobservable market inputs used by management required a high degree of auditor judgment and increased audit effort.

Our audit response to this key audit matter included the following:

- Obtaining an understanding of and assessing management's process to develop the estimates;
- Assessing the design and implementation of management's controls over the determination of the estimated fair value of the private companies;
- Examining internal and external information received directly from personnel of the private companies to assess the reasonability of management's estimates and to corroborate the information provided by management in its calculations of fair value; and
- Assessing events occurring after the year-end which could provide further indications of fair value.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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.

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. 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 IFRS Accounting Standards as issued by the International Accounting Standards Board, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Paul J. Leedham.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
November 28, 2024

EAT & BEYOND GLOBAL HOLDINGS INC.
Statements of Financial Position
July 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
ASSETS		
Current		
Cash and cash equivalents	$ 5,564	$ 83,298
Prepaid expenses	–	10,291
Notes receivable (Note 3)	–	139,300
Investments (Note 3)	57,385	39,605
	62,949	272,494
Non-current		
Investments (Note 3)	736,613	2,569,686
	$ 799,562	$ 2,842,180
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 4)	$ 1,029,646	$ 978,310
Due to related parties (Notes 5 and 9)	617,686	227,690
	1,647,332	1,206,000
EQUITY (DEFICIT)		
Share capital (Note 6)	19,092,713	18,229,874
Reserves	3,347,191	3,060,261
Deficit	(23,287,674)	(19,653,955)
	(847,770)	1,636,180
	$ 799,562	$ 2,842,180

Nature of operations and going concern (Note 1)
Contingency (Note 9)
Subsequent events (Notes 6 and 11)

These financial statements were approved by the Board of Directors on November 28, 2024.

"Anthony Zelen"	*"Young Bann"*
Anthony Zelen, Director	*Young Bann, Director*

EAT & BEYOND GLOBAL HOLDINGS INC.
Statements of Loss and Comprehensive Loss
For the years ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
Investment income		
Interest earned	$ 9,367	$ 2,300
Loss on disposition of investments (Note 3)	(4,764)	(18,855)
Loss on fair value adjustment of investments (Note 3)	(2,515,206)	(5,862,913)
Impairment on note receivable (Note 3)	(223,666)	(391,155)
Total investment loss	(2,734,269)	(6,270,623)
Operating expenses		
Bad debt (Note 3)	–	48,544
Consulting fees (Note 5)	176,400	163,904
Foreign exchange loss (gain)	890	(12,829)
Listing and transfer agent fees	38,530	39,411
Interest expense (Note 5)	7,678	–
Investor relations	–	150,565
Office and administration	23,205	56,428
Professional fees	223,456	293,508
Share-based payments (Notes 5 and 6)	–	55,981
Travel	–	17,165
Wages and benefits (Notes 5 and 9)	347,291	440,717
	817,450	1,253,394
Loss before other items	(3,551,719)	(7,524,017)
Other items		
Expense reimbursement	–	43,506
Loss on debt settlement (Note 5 and 6)	(82,000)	–
	(82,000)	(43,506)
Net loss and comprehensive loss for the year	$ (3,633,719)	$ (7,480,511)
Basic and diluted loss per common share	$ (0.15)	$ (0.72)
Weighted average number of common shares outstanding	25,006,570	10,440,940

The accompanying notes are an integral part of these financial statements

EAT & BEYOND GLOBAL HOLDINGS INC.
Statements of Changes in Equity (Deficit)
For the years ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserve	Deficit	Total Equity (Deficit)
Balance, July 31, 2022	8,090,731	$ 16,534,289	$ 2,432,824	$ (12,173,444)	$ 6,793,669
At-the-market financing (“ATM”)	528,717	90,673	–	–	90,673
Private Placement	2,350,000	470,000	–	–	470,000
Shares issued for investment (Note 3)	6,176,250	1,142,606	569,531	–	1,712,137
Share issue costs	–	(7,694)	1,925	–	(5,769)
Share-based payments – stock options	–	–	55,981	–	55,981
Net loss and comprehensive loss for the year	–	–	–	(7,480,511)	(7,480,511)
Balance, July 31, 2023	17,145,698	18,229,874	3,060,261	(19,653,955)	1,636,180
At-the-market financing (“ATM”)	450,500	35,227	–	–	35,227
Share issue costs	–	(1,388)	–	–	(1,388)
Shares issued for debt settlement (Note 6)	5,738,637	409,000	–	–	409,000
Shares and share purchase warrants issued for investment (Note 3)	6,000,000	420,000	286,930	–	706,930
Net loss and comprehensive loss for the year	–	–	–	(3,633,719)	(3,633,719)
Balance, July 31, 2024	29,334,835	$ 19,092,713	$ 3,347,191	$ (23,287,674)	$ (847,770)

EAT & BEYOND GLOBAL HOLDINGS INC.
Statements of Cash Flows
For the years ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)

		2024		2023
Operating Activities				
Net loss for the year	$	(3,633,719)	$	(7,480,511)
Items not affecting cash:				
Bad debt		–		48,544
Foreign exchange gain		890		(12,829)
Interest earned		(9,367)		(2,300)
Interest expense		7,678		–
Share-based payments		–		55,981
Loss on fair value adjustment of investments		2,515,206		5,862,913
Loss on disposal of investments		4,764		18,855
Loss on debt settlement		82,000		–
Impairment on note receivable		223,666		391,155
Changes in non-cash working capital items related to operations:				
Accounts receivable		–		27,028
Prepaid expenses		10,291		116,745
Accounts payable and accrued liabilities		377,447		364,026
Due to related parties		382,318		199,290
Proceeds on sale of investments		2,253		32,734
Notes receivable		(75,000)		(213,962)
Cash used in operating activities		(111,573)		(592,331)
Financing Activities				
Shares issued for cash		35,227		560,673
Share issue costs		(1,388)		(5,769)
Cash provided by financing activities		33,839		554,904
Change in cash during the year		(77,734)		(37,427)
Cash and cash equivalents, beginning of year		83,298		120,725
Cash and cash equivalents, end of the year	$	5,564	$	83,298
Non-cash Transactions				
Fair value on agents warrants	$	–	$	1,925
Shares issued for debt settlement	$	409,000	$	–
Shares and share purchase warrants issued for investment	$	706,930	$	1,712,137
Cash and cash equivalents consist of:				
Cash (bank overdraft)	$	(65)	$	74,555
Funds in brokerage account		3,388		8,743
Funds held in a trust		2,241		–
Cash and cash equivalents	$	5,564	$	83,298

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's 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 9, 2023, the Company completed a share consolidation on the basis of one-post consolidation common share for every seven pre-consolidation common shares. The exercise price of the outstanding stock options, RSUs, number of options and RSUs, were proportionately adjusted upon the share consolidation. All historic information presented in the financial statements has been adjusted to reflect the share consolidation. Note 6 has been retroactively restated to reflect the consolidation.

The Company's primary focus is on investments in the plant-based protein and meat alternative food industry. The Company also expanded into the clean tech companies and has invested in Purpose ESG Holdings Inc. ("Purpose ESG") as part of its portfolio strategy. 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.

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, 2024, the Company is not able to finance day to day activities through operations and has a working capital deficiency of $1,584,383 (2023 – $933,506) and an accumulated deficit of $23,287,674 (2023 – $19,653,955). The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations. 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 statements of financial position.

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, relations between NATO and Russian Federation regarding the situation in Ukraine, the escalation of war between Israel and Hamas in Gaza 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.

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation

Statement of compliance
These financial statements have been prepared in accordance with IFRS Accounting 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 material 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 28, 2024.

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.

Estimates and assumptions where there is significant risk of material adjustments to the statement of financial position in future accounting periods is 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. MATERIAL ACCOUNTING POLICIES (continued)

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. 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. 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

Accounting policies

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

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. Cash and cash equivalents and investments are measured at FVTPL. Note receivable is measured at amortized cost.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 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.

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.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

• 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.

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.

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.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

<u>Financial liabilities</u>
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. Accounts payables and due to related parties 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.

Revenue recognition

Realized gain or loss on disposal of investments are determined at the time of disposal. 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.

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.

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.

2. MATERIAL ACCOUNTING POLICIES (continued)

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.

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.

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.

2. MATERIAL ACCOUNTING POLICIES (continued)

Accounting standards and amendments

The following new standards and amendments have not been applied in preparing these financial statements.

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

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and have not had a material impact on the Company.

The following new standard was adopted during the year:

Disclosure of accounting policies (Amendments to International Accounting Standard ("IAS") 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments)

As part of the new amendments, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the disclosed accounting policies and made updates to the information disclosed in certain instances in line with the amendments.

The Company has not early adopted any new accounting standards, interpretations, or amendments that have been issued but are not yet effective.

3. INVESTMENTS

Investments are recorded at their fair value 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 will be based upon management's judgement and different valuation techniques. The investments in warrants are valued using the Black-Scholes option pricing model, with the following assumptions: risk-free rate of 3.46% (2023 – 4.65%); volatility of 100% (2023 – 100%), expected life of warrants 1.88 years (2023 – 2.43 years) and dividend yield of 0% (2023 – 0%). The carrying values are marked to market and the resulting gain or loss from investments are recorded against earnings. A continuity of the Company's investments is as follows:

(Expressed in Canadian dollars)

3. INVESTMENTS (continued)

	Ref.	Note	Number of shares/Units Held	Investment Cost at July 31, 2024	Fair Value at July 31, 2023	Additions (disposition)	Fair value adjustment/ gain or (loss)	Fair Value at July 31, 2024
			#	$	$	$	$	$
Public Companies								
1181718 BC Ltd. (dba Fresh Factory)	a	(i)	50,000	63,500	37,500	–	5,000	42,500
Above Food	f	(i)	6,478	44,998	50,000	(1,174)	(40,854)	7,972
Nabati Foods Inc.	b	(i, ii)	18,003	6,301	90	–	(90)	–
Zoglo's Incredible Food Corp.	e	(i)	–	–	2,015	(1,079)	(936)	–
Private Companies								
Beyond Moo	g	(iii)	3,792,475	768,447	–	–	–	–
Circular Solutions Inc.	h	(i)	200,000	30,000	–	–	–	–
Daydream Drinks (11270702 Canada Inc.)	i	(i)	50,000	75,000	–	–	–	–
Eat Just Inc.	j	(i)	7,998	199,927	–	–	–	–
Goldbloom Enterprises Inc.	o	(vi)	75,000	706,930	–	706,930	(706,930)	–
Mylk Brands	k	(iv)	34,791,759	9,288,430	–	–	–	–
Plant Power Restaurant Group LLC	l	(i, ii)	112,107	317,257	59,693	–	(59,693)	–
Purpose ESG Holdings Inc.	m	(v)	6,588,000	1,712,137	1,712,137	–	(1,712,137)	–
TurtleTree Labs Pte. Ltd.	n	(i)	21,923	200,205	736,613	–	–	736,613
Investment in warrants		(i)	NA	–	11,243	–	(4,330)	6,913
Total				13,413,132	2,609,291	704,677	(2,519,970)	793,998

During the year ended July 31, 2024, the Company sold marketable securities for total proceeds of $2,253 (2023 – $32,734), recognized a loss of $4,764 (2023 – $18,855) and recorded an unrealized loss on fair value of investments of $2,515,206 (2023 – $5,862,913).

As of July 31, 2024, the Company's investments include $57,385 (2023 – $39,605) classified as current assets and $736,613 (2023 – $2,569,686) classified as non-current assets.

(Expressed in Canadian dollars)

3. INVESTMENTS (continued)

	Ref.	Note	Number of shares/Units Held	Investment Cost at July 31, 2023	Fair Value at July 31, 2022	Additions (disposition)	Fair value Adjustment/ gain or (loss)	Foreign exchange	Fair Value at July 31, 2023
			#	$	$	$	$	$	$
Public Companies									
1181718 BC Ltd. (dba Fresh Factory)	a	(i)	50,000	63,500	41,000	–	(3,500)	–	37,500
Nabati Foods Inc.	b	(i, ii)	18,003	6,301	29,920	(29,200)	(630)	–	90
Plantfuel Life Inc. (formerly Sire Biosciences Inc.)	c	(i)	–	–	9,444	(9,444)	–	–	–
The Very Good Food Company Inc.	d	(i)	–	–	7,125	(7,125)	–	–	–
Zoglo’s Incredible Food Corp.	e	(i)	403,000	40,300	30,000	(5,820)	(22,165)	–	2,015
Private Companies									
Above Food	f	(i)	25,000	50,000	50,000	–	–	–	50,000
Beyond Moo	g	(iii)	3,792,475	768,447	1,011,326	–	(1,011,326)	–	–
Circular Solutions Inc.	h	(i)	200,000	30,000	30,000	–	(30,000)	–	–
Daydream Drinks (11270702 Canada Inc.)	i	(i)	50,000	75,000	75,000	–	(75,000)	–	–
Eat Just Inc.	j	(i)	7,998	199,927	106,931	–	(110,066)	3,135	–
Mylk Brands	k	(iv)	34,791,759	9,288,430	4,568,000	–	(4,977,160)	409,160	–
Plant Power Restaurant Group LLC	l	(i, ii)	112,107	317,257	102,592	–	(42,899)	–	59,693
Purpose ESG Holdings Inc.	m	(v)	6,588,000	1,712,137	–	1,712,137	–	–	1,712,137
TurtleTree Labs Pte. Ltd.	n	(i)	21,923	200,205	736,613	–	–	–	736,613
Investment in warrants		(i)	NA	–	13,705	–	(2,462)	–	11,243
Total				12,751,504	6,811,656	1,660,548	(6,275,208)	412,295	2,609,291

Notes
(i) The Company owns less than 10% interest in the investee as at July 31, 2024 and 2023.
(ii) A former director and/or former officer of the Company was a director and/or officer of the investee as at July 31, 2024 and 2023.
(iii) The Company owns 32% of the outstanding common shares as at July 31, 2024 and 2023. 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, 2024 and 2023.
(v) The Company owns 50% of the outstanding common shares as at July 31, 2024 and 2023. The CEO of the Company is the CEO of the investee as at July 31, 2024 and 2023.
(vi) The Company owns 50% of the outstanding common shares as at July 31, 2024.

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 September 29, 2020, the Company loaned $250,000 to Nabati Foods Inc. through a convertible note with 10% annual interest and a five-year maturity. The note was convertible into Class A voting shares of Nabati. During the year ended December 31, 2021, the loan and $261,801 in interest were converted into 748,003 shares and 374,002 warrants, with each warrant exercisable at $0.625 for two years. During the year ended July 31, 2023, the Company sold 730,000 shares for $10,625, and the warrants expired. During the year ended July 31, 2024, the fair value of the Company's investment was adjusted to $Nil as a result of certain operational and market challenges and the shares have been ceased traded on CSE. As of July 31, 2024, Nabati shares remain halted.

c) On June 21, 2022, the Company subscribed $50,000 to a non-brokered private placement in Plantfuel Life Inc. (formerly Sire Biosciences Inc.) for 333,334 common shares at a price of $0.15 per share. During the year ended July 31, 2023, the Company disposed of 55,555 common shares for total proceeds of $9,177.

d) 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. During the year ended July 31, 2023, the Company disposed of 25,000 common shares for total proceeds of $6,033.

e) On January 6, 2021, the Company subscribed $50,000 to a non-brokered private placement in Zoglo's Incredible Food Corp. for 500,000 common shares at a price of $0.10 per share. During the year ended July 31, 2023, the Company disposed of 97,000 common shares for total proceeds of $6,900. During the year ended July 31, 2024, the Company disposed of 403,000 common shares for total proceeds of $1,079.

f) On January 21, 2021, the Company subscribed $50,000 to an initial public offering in Above Food Corp. ("Above Food") 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%.

   On April 29, 2023, Above Food entered into a business combination agreement with Bite Acquisition Corp. ("BITE") and Above Food Ingredients Inc. ("ABVE"), pursuant to which BITE and Above Food agreed to combine in a business combination that will result in each of BITE and Above Food becoming a wholly owned subsidiary of ABVE. Upon closing of the transaction, ABVE's commons shares and warrants will be listed on the stock exchange. On July 8, 2024, pursuant to the business combination, the Above Food shares were consolidated to 4.75:1, resulting in the Company holding 5,258 shares of ABVE at a price of $9.51 per share and received 873 of preferred Class A shares and 873 of preferred Class B shares.

   During the year ended July 31, 2024, the Company disposed 526 common shares for total proceeds of $1,174.

3. INVESTMENTS (continued)

Private Companies

g) 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. As at July 31, 2023, the Company's investment was adjusted to $Nil as a result of the market's conditions, Beyond Moo was unable to raise the necessary funding to launch its new product lines and expansion to other markets. In addition, Beyond Moo's poor financial condition casts substantial doubt in its ability to continue as a going concern. As at July 31, 2024, there has been no change in fair value.

h) 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. During the year ended July 31, 2023, the Company recognized a $30,000 write down of its investment representing the excess of carrying value over fair value, which was derived based on management's judgments and assumptions available at the time of performing the impairment test. As at July 31, 2024, there has been no change in fair value.

i) 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. During the year ended July 31, 2023, the Company recognized a $75,000 write down of its investment representing the excess of carrying value over fair value, which was derived based on management's judgments and assumptions available at the time of performing the impairment test. As at July 31, 2024 there has been no change in fair value.

j) In 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. During the year ended July 31, 2023, the Company recognized a $110,066 write down of its investment representing the excess of carrying value over fair value, which was derived based on management's judgments and assumptions available at the time of performing the impairment test. As at July 31, 2024, there has been no change in fair value.

3. INVESTMENTS (continued)

Private Companies (continued)

k) 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. During the year ended July 31, 2023, Mylk Brands was no longer operational due to a lack of funds and an inability to sustain operations. In addition, the CEO of Mylk Brands resigned and Mylk Brands is unable to find a replacement of key leadership positions. As such, during the year ended July 31, 2023, the Company recognized a $4,977,160 write-down of the investment. As at July 31, 2024, there has been no change in fair value.

l) On February 21, 2021, the Company subscribed $317,257 (US$250,000) to a private placement in Plant Power Restaurants Group LLC. ("Plant Power") for 112,107 Series A Preferred share at a price of $2.83 (US$2.23) per share. As at December 31, 2021, the cost represented its fair value. During the seven months 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. During the year ended July 31, 2023, the Company recognized a write-down of $42,899 of its investment in Plant Power based on the most recent financing completed by Plant Power. During the year ended July 31, 2024, the Company recognized a $59,693 write-down of its investment in Plant Power based on Plant Power's recurring losses and uncertainty over whether sufficient funds are available to sustain operations.

m) On May 19, 2023, the Company acquired 50% of the issued and outstanding securities of Purpose ESG pursuant to the terms and conditions of a securities exchange agreement dated April 26, 2023. During the year ended July 31, 2023, the Company issued an aggregate of 6,176,250 common shares at a fair value of $1,142,606 and 3,796,870 share purchase warrants. Each warrant permits the holder to acquire one common share at $0.10 per share of which 3,281,245 shares purchase warrants expiring on January 20, 2024 and 515,625 shares purchase warrants expiring on January 21, 2024. The warrants were fair valued at $569,531 using the Black–Scholes option valuation model with the following assumptions: volatility of 292%, interest rate of 4.22%, share price at the date of issuance of $0.19, expected life of 0.68 years and dividend yield of 0.00%. The fair value of the shares and share purchase warrants at the date of purchase are in line with that of a valuation report completed by an independent valuator. As at July 31, 2023, its cost continued to represent its fair value. During the year ended July 31, 2024, the Company recognized a $1,712,137 write down of its investment based on Purpose ESG's recurring losses and uncertainty over whether sufficient funds are available to sustain operations.

n) On October 2020, the Company subscribed 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 July 31, 2024 and 2023, 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.

3. INVESTMENTS (continued)

o) On June 20, 2023, the Company entered into a securities exchange agreement with Goldbloom to acquire 50% of the issued and outstanding common shares and 100% of the outstanding warrants of Goldbloom. During the year ended July 31, 2024, the Company issued an aggregate of 6,000,000 common shares at a fair value of $420,000 and 6,000,000 share purchase warrants. Each warrant permits the holder to acquire one common share at $0.10 per share expiring on November 22, 2024. The warrants were fair valued at $286,930 using the Black-Scholes option valuation model with the following assumptions: volatility of 191%, interest rate of 4.65%, share price at the date of issuance of $0.07, expected life of 1.31 years and dividend yield of 0.00%. During the year ended July 31, 2024, Goldbloom was no longer operational due to a lack of funds and an inability to sustain operations. As such, during the year ended July 31, 2024, the Company recognized a $706,930 write-down of the investment.

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 the note is due on demand.

During the seven months ended July 31, 2022, the Company advanced $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. During the year ended July 31, 2023, the Company advanced another $76,962 (US$58,000) with similar terms and recorded a foreign currency difference of $12,828. The Company also advanced $48,544 to Mylk for working capital purposes. During the year ended July 31, 2023, the Company recorded an impairment of the note receivable for $391,155 and recorded bad debt of $48,544 as Mylk was no longer operational.

As at July 31, 2023, the Company loaned $75,000 through a promissory note to Soumi Holdings Inc. ("Soumi"). 8% interest will accrue on the principal amount unless Soumi is in default. If Soumi is in default, then in addition to the other remedies available to the Company, interest at the rate of 8% shall apply to all outstanding balances (including accrued interest) until the amounts owing under this note are brought into good standing. Soumi will not be required to make monthly payments and the note is due on demand. During the year ended July 31, 2024, the Company recorded interest income of $4,504 (2023 – $1,743) and as at July 31, 2024, the Company accrued interest receivable of $6,246 (2023 – $1,743). During the year ended July 31, 2024, the Company recorded an impairment of the note receivable for $81,246.

As at July 31, 2024 and 2023, the Company loaned a total of $137,000 through a promissory notes to Goldbloom in connection with the acquisition of Goldbloom investment. 8% interest will accrue on the principal amount unless Goldbloom is in default. If Goldbloom is in default, then in addition to the other remedies available to the Company, interest at the rate of 8% shall apply to all outstanding balances (including accrued interest) until the amounts owing under this note are brought into good standing. Goldbloom will not be required to make monthly payments and the note is due on demand. During the year ended July 31, 2024, the Company recorded interest income of $4,863 (2023 – $557) and as at July 31, 2024, the Company accrued interest receivable of $5,420 (2023 – $557). During the year ended July 31, 2024, the Company recorded an impairment of the note receivable for $142,420.

(Expressed in Canadian dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	$	$
Accounts payable	710,270	782,036
Accrued liabilities	229,974	107,339
Payroll tax liabilities	89,402	88,935
	1,029,646	978,310

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 years ended July 31, 2024 and 2023.

	2024	2023
	$	$
Consulting fees to a company controlled by CFO	50,400	50,400
Wages and benefits to former CEO	347,291	233,333
Share based payments	–	35,988
	397,691	319,721

As at July 31, 2024, due to related parties include $575,551 (2023 – $207,690) for unpaid consulting fees and unpaid wages to current and former officers of the Company. The amounts are unsecured, non–interest bearing and has no terms of repayment. On July 4, 2024, the Company issued 545,455 common shares in order to settle $30,000 in debt with a company controlled by the CFO.

As at July 31, 2024, due to related parties include $20,000 (2023 – $20,000) due to Purpose ESG Holdings Inc., a company having common CEO. The amounts are unsecured, non–interest bearing and have no terms of repayment.

During the year ended July 31, 2024, New Wave Holdings Inc. ("New Wave"), a company with a common officer, loaned a total of $147,000 through promissory notes to the Company. 8% interest will accrue on the principal amount unless the Company is in default under the terms of the note. If the Company is in default, then same interest rate (8%) shall apply to all outstanding balances (including accrued interest) until the amounts owing under this New Wave are brought into good standing. The Company will not be required to make monthly payments and is due on demand. On July 4, 2024, the Company issued 2,400,000 common shares to settle $132,000 of the debt with New Wave. The remaining $15,000 in principal, along with accrued interest, remains outstanding. During the year ended July 31, 2024, the Company recorded interest expense of $7,135 (2023 – $Nil) and as at July 31, 2024, the Company accrued interest payable of $7,135 (2023 – $Nil). As at July 31, 2024, the Company owed New Wave a total of $22,135.

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Common shares

During the year ended July 31, 2024:

Pursuant to the Prospectus Supplement filed on October 7, 2022, together with the short form base shelf prospectus dated August 31, 2022, the Company qualifies for distribution of common shares (the "Offering Shares") of the Company to an aggregate of $12,500,000 ("Offering"). The Company had 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. During the year ended July 31, 2024, the Company issued 450,500 common shares for total proceeds of $35,227 and recognized $1,388 in share issue costs.

On August 2, 2023, pursuant to its investment in Goldbloom, the Company issued an aggregate of 6,000,000 common shares at a fair value of $420,000 and 6,000,000 share purchase warrants. Each warrant permits the holder to acquire one common share at $0.10 per share expiring on November 22, 2024. The warrants were fair valued at $286,930 using the Black-Scholes option valuation model with the following assumptions: volatility of 191%, interest rate of 4.65%, share price at the date of issuance of $0.07, expected life of 1.31 years and dividend yield of 0.00% (Note 3).

On January 3, 2024, the Company issued 2,275,000 common shares to debt settle $136,500 in debts with a consultant of the Company, resulting in a loss on debt settlement of $91,000.

On June 25, 2024, the Company issued 518,182 common shares in order to settle $28,500 in debt with a former Vice President of Sales of the Company, resulting in a gain on debt settlement of $9,000. The common shares shall vest 25% on the October 18, 2024, and every one month thereafter with the last tranche vesting on January 18, 2025.

On July 4, 2024, the Company issued a total of 2,945,455 common shares in order to settle an aggregate $162,000 in debt with a company controlled by the CFO and New Wave.

During the year ended July 31, 2023:

Pursuant to the Prospectus Supplement filed on October 7, 2022, during the year ended July 31, 2023, the Company issued 528,717 (1,503,000 pre–consolidated) common shares for total proceeds of $90,673 and recognized $2,619 in share issue costs.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Common shares (continued)

During the year ended July 31, 2023 (continued):

On March 28, 2023, the Company issued 2,250,000 common shares at $0.20 per share for gross proceeds of $450,000. The Company incurred $1,750 of cash finders' fees and issued 8,750 finders' warrants. Each finders' warrant entitles the holders to purchase one common share at an exercise price of $0.25 for two years from the date of grant. The finders' warrants were valued at $1,925 using the Black–Scholes option valuation model with the following assumptions: volatility of 201%, interest rate of 3.75%, share price at the date of issuance of $0.26, expected life of 2 years and dividend yield of 0.00%. The finders' warrants are subject to a statutory hold period of four months plus one day, in accordance with applicable securities legislation, ending on August 1, 2023.

On April 11, 2023, the Company issued 100,000 common shares at $0.20 per share for gross proceeds of $20,000. The Company incurred $1,400 of cash finders' fees.

On May 19, 2023, pursuant to its investment in Purpose ESG, The Company has issued an aggregate of 6,176,250 common shares at a fair value of $1,142,606 and 3,796,870 share purchase warrants. Each warrant permits the holder to acquire one common share at $0.10 per share. 3,281,245 shares purchase warrants expiring on January 20, 2024 and 515,625 shares purchase warrants expiring on January 21, 2024. The warrants were valued at $569,531 using the Black-Scholes option valuation model with the following assumptions: volatility of 292%, interest rate of 4.22%, share price at the date of issuance of $0.19, expected life of 0.68 years and dividend yield of 0.00% (Note 3).

Share Purchase Warrants

The following is a summary of the Company's share purchase warrants for the years ended July 31, 2024, and 2023 are as follows:

	Number of warrants	Weighted average exercise price
		$
Balance, July 31, 2022	78,892	17.22
Issued	3,805,620	0.10
Expired	(78,892)	17.22
Balance, July 31, 2023	3,805,620	0.10
Issued	6,000,000	0.10
Expired	(3,796,870)	0.10
Balance, July 31, 2024	6,008,750	0.10

As at July 31, 2024, the Company had the following share purchase warrants outstanding:

Date of expiry	Exercise price	Number of warrants	Weighted average life (years)
	$		
November 22, 2024	0.10	*6,000,000	
March 31, 2025	0.25	8,750	
		6,008,750	0.31

*Subsequent to July 31, 2024, 6,000,000 share purchase warrants expired unexercised.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

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.

There were no stock options granted during the years ended July 31, 2024 and 2023.

The changes in stock options were as follows:

	Number of Stock Options	Weighted average exercise price
		$
Balance, July 31, 2022	506,715	4.36
Forfeited	(55,714)	3.82
Balance, July 31, 2023	451,001	4.42
Forfeited	(242,858)	3.57
Balance, July 31, 2024	208,143	5.42

As at July 31, 2024, the Company had 208,143 stock options outstanding as follows:

Number of Stock Options	Exercisable	Exercise Price	Expiry Date
22,428	22,428	$3.50	November 17, 2025
14,286	14,286	$4.97	November 25, 2025
21,429	21,429	$18.20	January 6, 2026
150,000	150,000	$3.92	February 8, 2027
208,143	208,143		

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

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.

The changes in RSU were as follows:

	Number of RSU
Balance, July 31, 2022	128,572
Forfeited	–
Balance, July 31, 2023	128,572
Forfeited	(128,572)
Balance, July 31, 2024	–

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 and no changes in the Company's approach to capital management during the year ended July 31, 2024.

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, and note receivable. As such, the Company's credit exposure is considered insignificant.

8. FINANCIAL INSTRUMENTS – (continued)

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, 2024, the Company's had equity investments denominated in US dollars of US$564,158 translated at period-end rate of $1.38. 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 $79,000.

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, 2024, the Company's equity investments of $793,998, 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 year ended July 31, 2024 would have been approximately $80,000 (2023 – $261,000) higher/lower.

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, 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, 2024	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash and cash equivalents	5,564	–	–	5,564
Investments				
Public investments	50,472	–	–	50,472
Private investments	–	–	736,613	736,613
Investment in warrants	–	6,913	–	6,913
	50,472	6,913	736,613	793,998
	56,036	6,913	736,613	799,562

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS – (continued)

July 31, 2023	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash and cash equivalents	83,298	–	–	83,298
Investments				
Public investments	39,605	–	–	39,605
Private investments	–	–	2,558,443	2,558,443
Investment in warrants	–	–	11,243	11,243
	39,605	–	2,569,686	2,609,291
	122,903	–	2,569,686	2,692,589

Level 2 Hierarchy

During the years ended July 31, 2024 and 2023, the Company had the following activities.

	2024
	$
Balance, beginning of year	–
*Transfer from Level 3	11,243
Unrealized and realized loss	(4,330)
Balance, end of year	6,913

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.

When a private company investment changes its status to a publicly listed investment which meets Level 1 or Level 2 criteria, the investment is transferred out of the Level 3 fair value hierarchy. A transfer is recorded upon the occurrence of a liquidity transaction for an investee company, which includes, but is not limited to, a business combination between the entity and a public company pursuant to a reverse takeover, merger, amalgamation, arrangement, take-over bid, or an initial public offering of the entity. The transfers are recorded on the date that such a liquidity transaction is completed. The following is a movement within level 3 hierarchy during the years ended July 31, 2024 and 2023.

	2024	2023
	$	$
Balance, beginning of year	2,569,686	6,694,148
Adjustment for foreign exchange	–	412,295
Purchase at cost	706,930	1,712,137
*Transfer to Level 1	(50,000)	–
*Transfer to Level 2	(11,243)	–
Unrealized and realized loss	(2,478,760)	(6,248,894)
Balance, end of year	736,613	2,569,686

* As of July 31, 2024, Above Food shares were reclassified from Level 3 to Level 1, while the warrants were moved from Level 3 to Level 2.

(Expressed in Canadian dollars)

9. CONTINGENCY

On June 6, 2023, the Company terminated the employment of its former CEO. Subsequently, on December 12, 2023, the former CEO filed a claim with the Superior Court of Quebec for unpaid salary, accrued and unpaid vacation pay and pay in lieu of notice. The total claim amounts to $533,958.

The Company filed a summary defense in late August 2024 after depositions were conducted. The plaintiff had not filed a declaration of trial readiness by the required deadline, but has now written to the court to correct this and reactivate the file.

During the year ended July 31, 2024, the Company recognized in wages and benefits an additional cost of $347,291 and as at July 31, 2024, the Company has estimated a probable settlement obligation of $533,958, which has been accrued and included in due to related parties. The Company continues to monitor the status of the case and will reassess the obligation as new information becomes available.

10. INCOME TAXES

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

	2024	2023
	$	$
Loss before income taxes	(3,633,719)	(7,480,511)
Statutory income tax rates	27%	27%
Expected tax recovery	(981,000)	(2,020,000)
Permanent difference	1,000	21,000
Change in unrecognized tax benefits not recognized	980,000	1,999,000
Total current and deferred income tax recovery	–	–

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

	Expiry	2024	Expiry	2023
Share issue costs	2025–2028	57,000	2025–2027	94,000
Investments	None	12,619,000	None	10,142,000
Non-capital losses	2039–2044	8,194,000	2039–2043	7,042,000
		20,870,000		17,278,000

11. SUBSEQUENT EVENTS

Subsequent to July 31, 2024:

Pursuant to the ATM financing, the Company issued 22,000 common shares. The shares were returned to treasury on November 14, 2024.

On November 28, 2024, the Company announced a private placement of up to 12,121,213 units at a price of $0.0825 per unit for gross proceeds to the Company of up to $1,000,000. Each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional share at a price of $0.11 per share, for a period of 24 months from the date of issuance.

11. SUBSEQUENT EVENTS – (continued)

In connection with the offering, the Company will pay finders' fees of up to 7.0% of the gross proceeds raised by the Company from the sale of units to subscribers directly introduced to the Company by eligible finders. In addition, the Company will issue to eligible finders non-transferable finders' warrants of up to 7.0% of the number of units sold in the offering. Each finders' warrant will entitle the holder to acquire one share at a price of $0.10 per share for a period of 24 months from the date of issuance. Completion of the offering is subject to certain conditions including the receipt of all necessary corporate and regulatory approvals, including the approval of the Canadian Securities Exchange.