ZOGLO'S FOOD CORP.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars – Unaudited)

ZOGLO’S FOOD CORP.

(FORMERLY ZOGLO’S INCREDIBLE FOOD CORP.)

ZOGLO’S FOOD CORP.

NOTICE TO READER

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company’s independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditors.

May 23, 2024

ZOGLO'S FOOD CORP.

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

	Notes		March 31, 2024		December 31, 2023
ASSETS					
Current assets					
Cash		$	**450,716**	$	39,724
Trade and other receivables	6		**15,253**		17,276
		$	**465,969**	$	57,000
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	9,12	$	**53,907**	$	364,022
Due to related parties	12		**-**		305,049
Loan payable	10		**-**		40,000
			53,907		709,071
SHAREHOLDERS' DEFICIT					
Share Capital	11		**12,233,070**		11,541,948
Reserves	11		**1,921,911**		1,921,911
Deficit			**(13,742,919)**		(14,115,930)
			412,062		(652,071)
		$	**465,969**	$	57,000

Nature and continuance of business (Note 1)
Contingent liabilities (Note 15)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

ZOGLO'S FOOD CORP.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the three months ended March 31, 2024 and 2024
(Expressed in Canadian Dollars - Unaudited)

	Notes		For the three months ended March 31 2024		2023
OPERATING EXPENSES					
Consulting	12	**$**	**2,000**	**$**	-
Investor relations (recovery)			**-**		(2,824)
Office and miscellaneous	12		**31,618**		15,118
Professional fees (recovery)	12		**18,769**		(15,682)
Regulatory and transfer agent fees			**3,451**		5,859
Rent	12		**9,000**		-
Share-based compensation	11 ,12		**-**		32,612
Total operating expenses			**(64,838)**		(35,083)
OTHER ITEMS					
Interest income			**-**		539
			-		539
Net and comprehensive loss from continuing operations			**(64,838)**		(34,544)
Net and comprehensive income (loss) from discontinued operations	5		**437,849**		(227,771)
Net and comprehensive income (loss)		**$**	**373,011**	$	(262,315)
Basic and diluted loss per common share					
Continuing operations		**$**	**(0.02)**	$	(0.02)
Discontinued operations			**0.12**		(0.11)
		$	**0.10**	$	(0.13)
Weighted average number of shares outstanding					
- basic and diluted			**3,824,201**		2,086,139

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

ZOGLO'S FOOD CORP.

Condensed Consolidated Interim Statement of Changes in Equity
(Expressed in Canadian Dollars - Unaudited)

	Share Capital								
	Number of Shares		Amount		Reserves		Deficit		Total Equity / (Deficiency)
Balance, December 31, 2022	**2,123,827**	**$**	**11,232,705**	**$**	**1,887,669**		**(13,690,571)**		**(570,197)**
Share-based compensation	-		-		32,612		-		32,612
Net loss for the period	-		-		-		(262,315)		(262,315)
Balance, March 31, 2023	**2,123,827**		**11,232,705**		**1,920,281**		**(13,952,886)**		**(799,900)**
Shares issued for debt settlement	61,849		309,243		-		-		309,243
Share-based compensation	-		-		1,630		-		1,630
Net loss for the period	-		-		-		(163,044)		(163,044)
Balance, December 31, 2023	**2,185,676**		**11,541,948**		**1,921,911**		**(14,115,930)**		**(652,071)**
Private placement	12,726,749		699,971		-		-		699,971
Share issuance cost	-		(8,850)		-		-		(8,850)
Net income for the period	-		-		-		373,011		373,011
Balance, March 31, 2024	**14,912,425**	**$**	**12,233,070**	**$**	**1,921,911**	**$**	**(13,742,919)**	**$**	**412,062**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

ZOGLO'S FOOD CORP.

Condensed Consolidated Interim Statement of Cash Flows
For the three months ended March 31, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

	Note	For the three months ended March 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss from continued operations for the period		**$ (64,838)**	$ (34,544)
Items not affecting cash:			
Share-based compensation	11	**-**	32,612
		(64,838)	(1,932)
Changes in non-cash working capital items:			
Trade and other receivables		**(2,851)**	99,115
Prepaid expenses		**-**	2,301
Trades payable and accrued liabilities		**(34,869)**	(55,377)
Due to related parties		**137,571**	-
Net cash provided by (used in) operating activities		**(240,129)**	44,107
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issuance of private placement	11	**691,121**	-
Repayment of loan payable	10	**(40,000)**	-
Net cash provided by financing activities		**651,121**	-
Net cash flows from continuing operations		**410,992**	44,107
Net cash flows from discontinued operations		**-**	105,330
Change in cash		**410,992**	149,437
Cash, beginning of period		**39,724**	-
Cash, end of period		**$ 450,716**	$ 149,437
Cash paid for interest		**$ -**	$ -
Cash paid for taxes		**$ -**	$ -

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. NATURE AND CONTINUANCE OF BUSINESS

Reporting entity

Zoglo's Food Corp. (the "Company") was incorporated and registered as 1258481 B.C. Ltd under the laws of the Province of British Columbia on July 23, 2020. On February 28, 2023, the Company changed its name to "Zoglo's Food Corp".

The Company was previously in the business of designing, developing, producing, distributing, and selling plant-based meat alternative products. In fiscal 2023, the Company discontinued the operations of its plant-based business as a result of declining sales in the industry. The Company is currently seeking out other potential business opportunities.

On December 5, 2023, the Company consolidated its share capital on a ratio of one (1) new post-consolidated common share for every ten (50) old pre-consolidated common shares. All shares and per share references in these consolidated financial statements have been retroactively restated accordingly unless noted otherwise.

The Company's common shares are listed on the Canadian Securities Exchange ("CSE") trading under the symbol "ZOG". On November 4, 2021, the Company's shares were accepted for listing and commenced trading on the Frankfurt Stock Exchange under the symbol "7UT". On May 5, 2023, the Company changed its trading symbol to "KX9" on the Frankfurt Stock Exchange.

The Company's head office and principal address is Suite 488-1090 West Georgia Street, Vancouver, BC, V6E 3V7. The registered and records office is Suite 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the future operations will allow for the realization of assets and the discharge of liabilities in the normal course of business. These consolidated financial statements do not include any adjustments to the carrying value and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

The Company reported a consolidated net income of $373,011 for the period ended March 31, 2024 (March 31, 2023 – consolidated net loss of $262,315). As at March 31, 2024, the Company had a working capital of $412,062 (December 31, 2023- working capital deficit of $652,071) and an accumulated deficit of $13,742,919 (December 31, 2023 -$14,115,930).

These circumstances create material uncertainties that cast significant doubt as to the ability of the Company to continue as a going concern and, hence, as to the appropriateness of the use of accounting principles applicable to a going concern. The Company will be dependent on additional financing to meet its operating requirements over the next twelve months. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

2. BASIS OF PRESENTATION

These condensed consolidated interim financial statements were authorized for issue on May 23, 2024 by the directors of the Company.

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company's December 31, 2023 audited financial statements. It is therefore recommended that these condensed consolidated interim financial statements be read in conjunction with the Company's December 31, 2023 audited financial statements.

Functional and presentation currencies

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its 100% owned subsidiary, Zoglo's Food Inc. (formerly Zoglo's Incredible Food Inc.) ("Zoglo"). Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to the consolidated statements of loss and comprehensive loss.

Basis of presentation and consolidation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, as explained in the accounting policies set out in Note 4.

These consolidated financial statements include accounts of the Company and its wholly owned subsidiary, Zoglo. Inter-company transactions and balances are eliminated upon consolidation.

Subsidiaries are corporations in which the Company is able to control the operating, investing and financing activities and policies, which is the authority usually connected with holding majority voting rights. The consolidated financial statements include the accounts of the Company and its controlled entity from the date on which control was acquired. The subsidiary uses the same reporting period and the same accounting policies as the Company.

2. BASIS OF PRESENTATION (cont'd)

In fiscal 2023, the Company discontinued operations in the plant-based food business.

The comparative condensed consolidated interim statement of income (loss) and comprehensive income (loss) has been restated to show the discontinued operation separately from continuing operations.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Share-based payments

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of options and warrants in order to calculate share-based payments expense and the fair value of agent warrants. The Black-Scholes Option Pricing Model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control.

The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product to a customer. The transfer of control is considered to have occurred when the Company has transferred physical possession of the asset and the Company has a present right to payment for the asset.

Impairment testing and recoverability of long-lived assets

Long-lived assets are reviewed annually for impairment, or more frequently when there are indicators that impairment may have occurred, by comparing the carrying value to their recoverable amounts. The recoverable amounts of the cash generating unit ("CGU") were estimated based on an assessment of value in use using a discounted cash flow approach and fair value less costs to sell. The approach uses cash flow projections based upon a financial forecast approved by management, covering a two to three-year period. Cash flows for the years thereafter are extrapolated using the estimated terminal growth rate for value in use for impairment analysis. Cash flows for the terminal period for fair value less costs to sell impairment analysis is determined using an existing multiple. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events. The determination of a CGU is based on management's judgment and is an assessment of the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Deferred tax assets and liabilities

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company.

To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

Inventory obsolescence

Inventories are stated at the lower of cost and estimated net realizable value. The Company estimates net realizable value as the amount at which inventories are expected to be sold, taking into consideration fluctuations in retail prices less estimated costs necessary to make the sale. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining selling prices.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a previous event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the expected future cash flows.

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events, which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Functional currency

Determining the appropriate functional currencies for entities in the Company requires analysis of various factors, including the currencies and country-specific factors that mainly influence sales prices, and the currencies that mainly influence l materials, and other costs of providing goods or services.

4. MATERIAL ACCOUNTING POLICIES

New Accounting standard

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

The amendments to IAS1 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. The implementation of these amendments did not have a significant impact on the Company's financial position or results of operations.

(Expressed in Canadian Dollars - Unaudited)

5. DISCONTINUED OPERATIONS

During the year ended December 31, 2023, the Company decided to discontinue the operations of Zoglo. As a result, Zoglo's financial impacts attributable to the discontinued operations during the period ended March 31, 2024 and 2023 are summarized below.

Included in the consolidated statement of financial position as at March 31, 2023 and the following changes of assets and liabilities associated with the discontinued operations:

		March 31, 2023
ASSETS		
Current assets		
Cash	$	93,988
Trade and other receivables		64,084
Prepaid Expenses		22,500
		180,572
Equipment		55,522
	$	236,094
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$	602,373
Due to related parties		423,518
	$	1,025,891

(Expressed in Canadian Dollars - Unaudited)

5. DISCONTINUED OPERATIONS (cont'd)

Results from discontinued operations:

	Notes	For the three months ended March 31, 2024	2023
Sales		**$ -**	$ 41,104
Cost of sales		**-**	(41,104)
GROSS LOSS		**-**	-
OPERATING EXPENSES			
Consulting	12	**-**	53,367
Depreciation	8	**-**	2,880
Marketing		**-**	6,600
Office and miscellaneous		**-**	70,930
Professional fees		**-**	62,786
Rent		**-**	6,000
Travel		**-**	515
Wages and benefits	12	**-**	24,693
		-	(227,771)
OTHER ITEMS			
Gain on write off of accounts payables	9,12	**437,849**	-
		437,849	-
Net and comprehensive income (loss) from discontinued operations		**$ 437,849**	$ (227,771)

6. TRADE AND OTHER RECEIVABLES

	March 31, 2024	December 31, 2023
Government sales tax credits	$ 15,253	$ 17,276
	$ 15,253	$ 17,276

(Expressed in Canadian Dollars - Unaudited)

7. INVENTORIES

Inventory consists of finished goods at the lower of cost and net realizable value.

	March 31, 2024	December 31, 2023
Opening inventory	$ -	$ 41,104
Cost of goods sold	-	(41,104)
Closing inventory	$ -	$ -

During the period ended March 31, 2024, there were $nil (December 31, 2023 - $nil) in inventory write downs to net realizable value which were recorded in cost of sales.

8. EQUIPMENT AND INTANGIBLE ASSET

	Other Equipment	Freezer Equipment	Computer Equipment	Total Equipment	Intangible Asset (Brands)	Total Equipment and Intangible Asset
Acquisition cost:						
At December 31, 2022	$ 17,273	$ 81,125	$ 21,719	$ 120,117	$ 4,365,856	$ 4,485,973
Disposals	–	(81,125)	–	(81,125)	–	(81,125)
At December 31, 2023 and March 31, 2024	$ 17,273	$ –	$ 21,719	$ 38,992	$ 4,365,856	$ 4,404,848
Accumulated depreciation/ amortization and impairment:						
At December 31, 2022	17,273	22,723	21,719	61,715	4,365,856	4,427,571
Charge for the period	–	8,736	–	8,736	–	8,736
Disposal for the period	–	(31,459)	–	(31,459)	–	(31,459)
At December 31, 2023 and March 31, 2024	$ 17,273	$ –	$ 21,719	$ 38,992	$ 4,365,856	$4,404,848
Balance						
As December 31, 2022	$ –	$ 58,402	$ –	$ 58,402	$ –	$ 58,402
As December 31, 2023 and March 31, 2024	$ –	$ –	$ –	$ –	$ –	$ –

On October 19, 2020, the Company entered into an option agreement to acquire the rights to sell Zoglo's brands in North America for a cash consideration of $5,000,000 in connection with Naknik Mahariya Kasher Soglowek's ("Naknik"), a related party (Note 12) in the business of packaging, marketing, and selling meat substitute food products marketed under the brand "Zoglo's".

(Expressed in Canadian Dollars - Unaudited)

8. EQUIPMENT AND INTANGIBLE ASSET (cont'd)

On February 9, 2021, the agreement was amended such that $3,000,000 of the $5,000,000 purchase price could be paid by way of a promissory note with remainder paid in cash. The note shall be non-interest bearing and be repaid by the Company in equal instalments of $500,000 every six months until the note is repaid in full. On June 30, 2022, Naknik agreed to defer the instalment payment of $500,000 due on July 15, 2022 by six months and will be added to the next instalment payment for a total of $1,000,000 due on January 15, 2023. On November 14, 2022, the Company entered into a debt settlement agreement with Naknik in connection with the forgiveness of the promissory note at a book value of $2,500,000 and transferring all the trademarks concerns into the following conditions:

- The Company would pay 3% in royalties from any product sold by the Company's brand in perpetuity;
- The Company would send every 3 months an account of the related brand sales;
- The payment of the royalties would be paid every 30 days;
- Naknik would have a right to review the sale reports;
- The Company would have the right to use the intellectual property ("IP"), as long as the royalties are paid on time;
- The ownership of the IP would remain with Naknik;
- In a case that if two payments are not paid, the Company would stop using the IP and the trademarks would be returned to Naknik; and
- If any future lawsuit may occur, or any other company in the future in regards to the trademarks, the responsibility and liability of that lawsuit would be sole responsibility of the Company. And the Company would pay all the related payments and expenses including the legal counseling fees that would be the direct outcome of such lawsuit.

As a result of the above settlement, the Company recorded and recognized a gain on debt settlement $2,027,961 during the year ended December 31, 2022. During the year ended December 31, 2023 and period ended March 31, 2024, there were no product sold under Naknik's brand name and therefore, no royalties payable was recorded and accrued.

This transaction was accounted for as an asset acquisition as the asset acquired does not meet the definition of a business. The purchase price of the net assets acquired was allocated to brands (intangible asset).

On July 15, 2021, the Company exercised its option for total consideration of $4,365,856, which has been recorded as an intangible asset under brands. The total consideration was consisting of a cash payment of $2,000,000 and the issue of a note payable in the amount of $3,000,000.

Consideration provided cash	$	2,000,000
Fair value of promissory notes		2,365,856
Allocated to intangible asset (brands)	$	4,365,856

In accordance with IFRS 9 *Financial Instruments*, the benefit of below-market rate shall be measured as the difference between initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of the note payable at $2,365,856, using a discount rate of 15%, which was the estimated rate for a similar loan without interest-free component. The difference of $634,144 will be accredited to the loan liability over the term of the note payable and recorded to accretion expenses on the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars - Unaudited)

8. EQUIPMENT AND INTANGIBLE ASSET (cont'd)

During the year ended December 31, 2022, the Company conducted impairment tests on its intangible asset as there were indicators of impairment. The Company tested intangible asset for impairment which is allocated to its only CGU. The recoverable amount of CGU was determined based on value in use which require the use of assumptions. The calculation of the recoverable amount of CGU was $nil. As a result, the Company recorded an impairment of $3,710,978 to the intangible asset primarily due to inability of the business to meet its initial projections.

During the year ended December 31, 2023, the Company sold the freezer equipment at a book value of $49,666 to settle the total outstanding of $19,727 for the short-term loans owed to a former director and recognized a loss on asset disposal of $29,939. (Note 12)

9. ACCOUNT PAYABLES AND ACCRUED LIABILITIES

	March 31, 2024	December 31, 2023
Accounts payables	$ 17,525	$ 327,640
Accrued liabilities	36,382	36,382
	$ 53,907	$ 364,022

On March 19, 2024, Zoglo filed an application of bankruptcy with Industry Canada and appointed Dodick Landau Inc. as trustee of Zoglo's estate. As at March 31, 2024, the Company wrote off Zoglo's accounts payable and accrued liabilities totaling $270,372 in connection to the bankruptcy claim.

10. LOAN PAYABLE

During the year ended December 31, 2023, the Company acquired a short-term loan of $40,000 from an arm's length party. The loan is non-interest bearing and is due upon demand. This loan was repaid during the period ended March 31, 2024.

11. SHARE CAPITAL

a. Authorized

Unlimited number of common shares without par value.

b. Issued and outstanding

During the period ended March 31, 2024, the Company completed the following transaction:

(i) Issued 12,726,749 units at a price of $0.055 per units for total gross proceeds of $699,971. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at an exercise price of $0.10 per common share for a period of 36 months from the date of issuance.

(Expressed in Canadian Dollars - Unaudited)

11. SHARE CAPITAL (cont'd)

b. Issued and outstanding (cont'd)

During the year ended December 31, 2023, the Company completed the following transactions:

(ii) Consolidation of its common shares on the basis of 50 pre-consolidated shares for every one post-consolidated share effective December 5, 2023; and

(iii) Issued 61,849 common shares at a price of $5 per share to settle a convertible loan (Note 12(ix)) of $298,474 plus interest of $10,769.

c. Escrow

920,000 common shares issued to a director of the Company prior to the RTO are subject to escrow conditions required by applicable securities laws and the CSE requirements.

Pursuant to the Escrow Agreement dated July 20, 2021, 10% of the escrowed common shares will be released on the Company's listing date, and 15% of the escrowed shares will be released every 6 months thereafter over a period of 36 months for the remaining 90% of the escrow. As at March 31, 2024, 138,000 common shares (December 31, 2023 – 276,000) were subject to escrow.

d. Stock Options

The Company adopted a rolling 10% stock option plan (the "Plan") that enables the Company to grant options to directors, officers, employees, and consultants of the Company or a subsidiary of the Company. The Company reserved 10% of issued and outstanding common shares for issuance pursuant to options under the Plan. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price, expiry date, and the vesting conditions of the options as determined by the Board of Directors.

Stock option transactions are summarized as follows:

	Stock Options Outstanding	Weighted Average Exercise Price
Outstanding, December 31, 2022	76,000	$ 3.35
Granted	70,000	2.50
Forfeited/cancelled	(146,000)	2.94
Outstanding, December 31, 2023 and March 31, 2024	-	$ -

(Expressed in Canadian Dollars - Unaudited)

11. SHARE CAPITAL (cont'd)

d. Stock options (cont'd)

During the three months ended March 31, 2024, there were no transactions affecting stock options.

During the year ended December 31, 2023, the Company:

(i) Granted 40,000 stock options to a former officer of the Company at an exercise price of $2.50 per share expiring January 16, 2025. The stock options are subject to vesting over a period of 6 months.

(ii) Granted 20,000 stock options to another former officer of the Company at an exercise price of $2.50 per share expiring on February 13, 2025. These stock options are subject to vesting over a period of 6 months.

(iii) Granted 10,000 stock options to a former director of the Company at an exercise price of $2.50 per share expiring on February 13, 2025. These stock options are subject to vesting over a period of 12 months.

(iv) Forfeited/cancelled an aggregate of 146,000 stock options granted to various former officers, directors and consultants of the Company, which also included the options granted during the period mentioned in Note 11(d) (i, ii & iii).

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

The following weighted average assumptions were used to estimate the following weighted average grant date fair values:

	March 31, 2024	December 31, 2023
Risk free interest rate	-	1.73% - 1.88%
Expected dividend yield	-	0%
Stock price volatility*	-	230% - 231%
Expected life	-	2 years
Exercise price	-	$2.50
Share price	-	$1.25
Fair value	-	$1.07

*Expected volatility has been based on similar publicly traded companies

(Expressed in Canadian Dollars - Unaudited)

11. SHARE CAPITAL (cont'd)

e. Warrants

Warrant transactions are summarized as follows:

	Warrants Outstanding	Weighted Average Exercise Price
Outstanding, December 31, 2022 and 2023	53,585	$ 3.20
Granted (Note 11(b)(i))	12,726,749	0.10
Outstanding, March 31, 2024	12,780,334	$ 2.95

As at March 31, 2024, the following warrants were outstanding:

	Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Warrants	February 23, 2026	15,000	$5.00	1.90 years
Warrants	December 22, 2024	38,585	$2.50	0.73 years
Warrants	March 15, 2027	12,726,749	$0.10	2.96 years

12. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, officers and the companies controlled by the directors and officers as well as their spouses.

The remuneration of the key management personnel during the periods ended March 31, 2024 and 2023 were as follows:

	March 31, 2024	March 31, 2023
Officers' remuneration (i)	$ -	$ 44,867
Consulting fees (ii)	-	8,500
Director's fees (iii)	-	1,250
Share-based compensation (iv)	-	32,468
Total	$ -	$ 87,085

12. RELATED PARTY TRANSACTIONS (cont'd)

During the three months ended March 31, 2024, transactions with key management and other related party transactions as follows:

(i) During the period ended March 31, 2024, the Company paid or accrued salaries, management fees, health benefits, and vehicle allowances totaling $nil (2023 - $44,867) to three former directors and/or officers of the Company. This amount is included in net and comprehensive income (loss) from discontinued operations on the statements of loss and comprehensive loss.

As at March 31, 2024, the Company wrote off the total outstanding of $91,717 (December 31, 2023 - $91,717) which was owed to the former directors and or officers of the Company for consulting services and recorded as a gain on write off of account payable.

(ii) The Company entered into an advisory agreement with Professional Retailing Inc., a company controlled by a former CEO, for consulting services with respect to packaging, marketing and product advisory services in exchange for $102,000 per year, payable monthly from August 1, 2022. Effective January 1, 2023, the agreement was terminated.

During the period ended March 31, 2024, the Company paid or accrued $nil (2023 - $8,500) in consulting fees pursuant to this agreement. This amount is included in net and comprehensive income (loss) from discontinued operations on the statements of loss and comprehensive loss.

During the period ended March 31, 2024, the Company wrote off the total outstanding of $48,025 (December 31, 2023 - $48,025) in consulting services owed to the former CEO's company and recorded as a gain on write off of accounts payable.

(iii) During the period ended March 31, 2024, the Company paid $Nil (2023 - $1,250) to a company controlled by the former chairman of the board and former director of the Company for director fees.

(iv) During the period ended March 31, 2024, share-based compensation expense of $nil (2023 - $32,468) was recorded on the vested portion of the stock options granted to directors and officers of the Company.

(v) During the period ended March 31, 2024, the Company paid or accrued $nil (2023 - $15,636 in accounting and bookkeeping fees to a company partially owned by the former CFO.

(vi) During the period ended March 31, 2024, $Nil (2023 - $7,625) was due to Naknik that was included in accounts payable and accrued liabilities, a company controlled by a former director of the Company and the spouse of a director and significant shareholder of the Company, for inventory purchased.

(vii) During the year ended December 31, 2023, Zoglo, had two outstanding short term non-interest bearing loans from the director of Zoglo totaling $19,727. The Company settled the loans by transferring its freezer equipment (Note 8) to the director of Zoglo and recognized a loss on asset disposal of $29,939.

As at March 31, 2024, a balance of $nil (2023 - $11,842) was outstanding on the loans.

(viii) During the year ended December 31, 2023, the Company entered into a secured loan agreement with the same Zoglo director (also the "Lender") for a loan facility of up to $600,000. Amounts borrowed under this agreement will bear interest at 6% per annum and mature on February 10, 2024. The loan has a convertibility to be settled by shares under the following terms:

12. RELATED PARTY TRANSACTIONS (cont'd)

Upon the earlier to occur of:

1) *a change of control of the Company;*
2) *the sale of all or substantially all of the assets of the Company;*
3) *the closing of a financing of the Company for gross proceeds of not less than $2,000,000; and*
4) *the Maturity Date; (each a "Trigger Event") the Lender shall have the option, at its sole discretion, to:*
   - *Require the Company to repay in whole the Outstanding Balance;*
   - *Convert the Advances into shares of the Company with the subscription price payable by the Lender equal to the greater of: (1) $0.10 per share; and (2) the lowest permitted price according to the policies of the Exchange; and to require the Company to repay all remaining amounts of the Outstanding Balance within 60 days of the occurrence of the Trigger Event; or*
   - *Require the Outstanding Balance to be repaid to the Lender on the Maturity Date.*

On October 5, 2023, the Company converted a total of $309,243 which consisted of $298,474 in principal and $10,769 in accrued interest by issuing 61,849 common shares at a price of $5.00 per share. (Note 11 (b)(ii)).

(x) On August 23, 2022, the Company entered into a 90-day promissory note for an operational loan of $100,000 from the spouse of a former director of the Company. The loan is unsecured with a maturity date of November 23, 2022. On maturity date, the Company would repay the principal amount plus interest of $5,000. On April 11, 2023, the Company entered into a settlement arrangement on this loan to pay a total of $111,658, inclusive of interest (the "Settlement Amount") by monthly installments of $11,166 from April 2023 to August 2023 and $27,914 from September 2023 to October 2023. In addition to the Settlement amount, the Company would pay $5,000, as partial payment for the related legal fee on or before October 15, 2023. In the event of a change of control or capital raise before the final instalment date, the balance of the Settlement Amount will be due upon closing of any such transaction.

During the period ended March 31, 2024, the Company wrote off the total outstanding of $94,326 (December 31, 2023 - $94,326) and recorded as a gain on write off of accounts payable.

(xi) On March 23, 2021, the Company entered into an administrative services agreement with Varshney Capital Corp. ("VCC"), a company with a director in common, for administrative services provided to the Company in exchange for a monthly fee of $10,000 plus taxes for an initial term of two years and renewed annually unless terminated. On June 8, 2023, this agreement was terminated and services were rendered on a month to month basis. On September 1, 2023, the Company entered into a new administrative services agreement with VCC in exchange for $10,000 plus taxes per month for an initial term of one year and renewed annually unless terminated.

During the period ended March 31, 2024, the Company paid or accrued $30,000 (2023 - $15,000) for administrative fees to VCC. VCC provided a 5-month discount on administrative fee of $5,000 per month for the period from January 1, 2023 to May 31, 2023.

As at March 31, 2024, $Nil (December 31, 2023 - $89,350) is due to VCC for administrative fees.

12. RELATED PARTY TRANSACTIONS (cont'd)

(xii) During the year ended December 31, 2023, the Company entered into two promissory notes totaling $32,500 with the spouse of a director of the Company. The promissory notes are unsecured, bearing interest at 8% per annum, and matures on January 4, 2024 and February 20, 2024, respectively. During the period ended March 31, 2024, the Company repaid the total outstanding of $33,605 which included accrued interest of $1,105.

In addition, during the period ended March 31, 2024 the Company paid or accrued $9,000 (2023-$nil) in rent to a company controlled by the spouse of the CFO and director of the Company.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, trade and other receivables, accounts payables due to related parties and loans payable. These financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk and other market risk.

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has significant credit risk. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including cash and short term investments with banks and financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company's ability to continue as a going concern depends upon its ability to achieve profitable operations and raise additional capital. The Company intend to achieve this by seeking debt and equity financing when needed. Liquidity risk is considered as high.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty. There have been no significant impacts on the Company's consolidated statements of loss and comprehensive loss from changes in interest rates.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

(b) Foreign currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of the Company. The functional currency of the Company is the Canadian dollar. The currency in which purchase transactions are denominated is US dollar. The Company does not currently hedge its currency risk, and is therefore subject to gains or losses due to fluctuations in that currency. In 2023, the Company's exposure to foreign currency changes for all other currencies was not material.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' deficiency of $412,062 at March 31, 2024 (December 31, 2023 - $652,071).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust its capital structure, the Company may issue new shares. The Company is dependent on the capital markets as its sole source of operating capital. The Company is not subject to any externally imposed capital requirements.

15. CONTINGENT LIABILITIES

From time to time, the Company and/or its subsidiary may become defendants in legal actions and the Company intends to defend itself vigorously against all legal claims. Management is not aware of any claims against the Company that could reasonably be expected to have a materially adverse impact on the Company's consolidated financial position, results of operations or the ability to carry on any of its business activities.

On September 24, 2021, Impossible Foods Inc. ("IFI") alleged that the Company violated IFI's trademark rights. On October 20, 2021, Zoglo's responded to IFI to deny that it had violated any trademark rights. The Company and IFI reached an agreement on the matter. During the year ended December 31, 2023, the Company received a notice of dissolve by indicating this contingency had been dissolved and IFI discontinued to proceed against the Company on a without cost basis.