

Pangea Natural Foods Inc.
Condensed Interim Financial Statements
(Unaudited – Expressed in Canadian dollars)
**For the three and six months ended April 30, 2022 and
for the period from incorporation on April 10, 2021 to April 30, 2021**

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these condensed interim financial statements.

Pangea Natural Foods Inc.

Condensed Interim Statement of Financial Position

As at April 30, 2022 and October 31, 2021

(Expressed in Canadian dollars)

	Notes	April 30, 2022 (Unaudited)	October 31, 2021 (Audited)
ASSETS			
Current assets			
Cash		\$ 349,708	\$ 807,574
Accounts receivable and other receivables	4	94,811	83,625
Prepaid expenses		511,078	383,966
Inventory	5	16,900	6,712
		972,497	1,281,877
Equipment	6	21,123	23,072
Intangible asset	7	44,200	37,000
Total assets		\$ 1,037,820	\$ 1,341,949
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8,11	\$ 86,771	\$ 116,822
Total liabilities		\$ 86,771	116,822
SHAREHOLDERS' EQUITY			
Share capital	9	754,570	747,070
Contributed surplus		735,198	651,250
Accumulated deficit		(538,719)	(173,193)
Total shareholders' equity		951,049	1,225,127
Total liabilities and shareholders' equity		\$ 1,037,820	1,341,949
Nature of operations and going concern	1		

APPROVED BY THE BOARD OF DIRECTORS:

Pratap Sandhu

Director

Mohammad Fazil

Director

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

Pangea Natural Foods Inc.

Condensed Interim Statement of Loss and Comprehensive Loss

For the three and six months ended April 30, 2022 and for the

period from incorporation on April 10, 2021 to April 30, 2021

(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended April 30, 2022	Six months ended April 30, 2022	Period from incorporation on April 10, 2021 to April 30, 2021
Revenue	10	\$ 198,362	\$ 208,592	\$ -
Cost of sales	5	(172,763)	(184,061)	-
Gross profit		25,599	24,531	-
Expenses				
Advertising and promotion		100	4,258	1,870
Depreciation	6	207	414	-
Office and administration		4,964	6,005	-
Professional fees		81,813	182,451	-
Rent		17,925	34,620	2,500
Salaries and wages	11	38,938	85,747	-
Share-based payments	9,11	76,448	76,448	-
Total operating expenses		220,395	389,943	4,370
Net loss before other items		(194,796)	(365,412)	(4,370)
Other items				
Inventory write-off	5	(114)	(114)	-
Net loss and comprehensive loss		\$ (194,910)	\$ (365,526)	\$ (4,370)
Weighted average number of shares – Basic and diluted				
		27,335,001	27,320,913	1
Loss per share – Basic and diluted				
		\$ (0.01)	\$ (0.01)	\$ (4,370)

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

Pangea Natural Foods Inc.

Condensed Interim Statement of Changes in Equity

For the six months ended April 30, 2022 and for the period from incorporation on April 10, 2021 to April 30, 2021

(Unaudited - Expressed in Canadian dollars)

	Number of common shares	Share capital	Contributed surplus	Accumulated deficit	Total Shareholders' Equity
Balance, April 10, 2021	-	\$ -	\$ -	\$ -	\$ -
Shares issued on incorporation	1	-	-	-	-
Net loss for the period	-	-	-	(4,370)	(4,370)
Balance, April 30, 2021	1	\$ -	\$ -	\$ (4,370)	\$ (4,370)
<hr/>					
Balance, October 31, 2021	27,185,001	\$ 747,070	\$ 651,250	\$ (173,193)	\$ 1,225,127
Units issued from private placements	150,000	7,500	7,500	-	15,000
Share-based payments	-	-	76,448	-	76,448
Net loss for the period	-	-	-	(365,526)	(365,526)
Balance, April 30, 2021	27,335,001	\$ 754,570	\$ 735,198	\$ (538,719)	\$ 951,049

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

Pangea Natural Foods Inc.

Condensed Interim Statement of Cash Flows

For the six months ended April 30, 2022 and for the period from incorporation on April 10, 2021 to April 30, 2021
(Unaudited - Expressed in Canadian dollars)

	Notes	Six months ended April 30, 2022	Period from incorporation on April 10, 2021 to April 30, 2021
Operating activities			
Net loss for the period		\$ (365,526)	\$ (4,370)
Items not affecting cash:			
Depreciation	6	1,949	-
Share-based payments	9	76,448	-
Non-cash working capital items:			
Accounts receivable and other receivables		(11,186)	(120)
Prepaid expenses		(127,112)	-
Inventory		(10,188)	-
Accounts payable and accrued liabilities		(30,051)	4,490
Net cash used in operating activities		(465,666)	-
Investing activities			
Purchase of intangible asset	7	(7,200)	-
Net cash used in investing activities		(7,200)	-
Financing activities			
Proceeds from the issuance of units	9	15,000	-
Net cash provided by financing activities		15,000	-
Change in cash		(457,866)	-
Cash, beginning of the period		807,574	-
Cash, end of the period		\$ 349,708	\$ -
Supplemental Cash Flow Information			
Income tax paid		\$ -	\$ -
Interest paid (received)		\$ -	\$ -

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

Pangea Natural Foods Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended April 30, 2022 and for the

period from incorporation on April 10, 2021 to April 30, 2021

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Pangea Natural Foods Inc. (“Pangea” or the “Company”) was incorporated on April 10, 2021 under the laws of the British Columbia Business Corporations Act. The registered records office of Pangea is located at 10th Floor, 595 Howe Street, Vancouver B.C. V6C 2T5.

The Company was formed to produce and sell plant-based food products that are both nutritious and non-GMO.

Subsequent to period end, the Company filed their final prospectus and expects to commence trading on the Canadian Securities Exchange with the ticker symbol “PNGA” in the coming weeks.

The financial statements have been prepared on the basis on accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to continue as a going concern and to realize assets at their carrying values is dependent upon its ability to obtain financing and generate profits and positive cash flows from operations in order to cover its operating costs.

The Company incurred a loss of \$365,526 for the six months ended April 30, 2022 (period ended April 30, 2021 - \$4,370), and as of that date the Company’s accumulated deficit was \$538,719 (October 31, 2021 - \$173,193). The Company will periodically need to raise funds to continue its operations and although it has been successful in doing so in the past, there is no assurance that it will be able to continue to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. These adjustments could be material.

In March 2020, the World Health Organization declared the coronavirus (COVID-19) a global pandemic. This contagious virus outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

These condensed interim financial statements were approved and authorized for issuance on June 20, 2022 by the Board of Directors.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including International Accounting Standards (“IAS”) 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Issues Committee (“IFRIC”).

Pangea Natural Foods Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended April 30, 2022 and for the

period from incorporation on April 10, 2021 to April 30, 2021

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Statement of compliance (continued)

They have been prepared in accordance with the same accounting policies and methods of application as the audited financial statements for the period from incorporation on April 10, 2021 to October 31, 2021, except that they do not include all the disclosures required for the annual audited financial statements. These condensed interim financial statements should be read in conjunction with the audited financial statements for the Company for the period from incorporation on April 10, 2021 to October 31, 2021.

Basis of measurement

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

Significant Accounting Policies

These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the period from incorporation on April 10, 2021 to October 31, 2021. The significant accounting policies applied in the preparation of these condensed interim financial statements are consistent with the accounting policies disclosed in Note 3 of the audited financial statements for the period from incorporation on April 10, 2021 to October 31, 2021, with the addition of the following:

Share-based payments

The Company grants stock options to purchase common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the grant date using the Black-Scholes option pricing model and is recognized over the vesting period. Share-based payments are initially recorded to reserves. Subsequently, the amount together with the consideration received for the shares on the exercise of share-based payments are credited to share capital.

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 fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Pangea Natural Foods Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended April 30, 2022 and for the

period from incorporation on April 10, 2021 to April 30, 2021

(Unaudited - Expressed in Canadian dollars)

3. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES

The preparation of these condensed interim financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the condensed interim financial statements and the reported amount of income and expenses during the period. Actual results could differ from these estimates.

In preparing these condensed interim financial statements, the significant estimates and critical judgements were the same as those applied to the audited financial statements as at and for the period from incorporation on April 10, 2021 to October 31, 2021, with the addition of the following to estimates:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependant on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

4. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

		April 30, 2022		October 31, 2021
Trade receivables	\$	68,637	\$	68,495
Sales tax receivable		26,174		15,130
	\$	94,811	\$	83,625

5. INVENTORY

		April 30, 2022		October 31, 2021
Raw materials	\$	2,896	\$	-
Packaging materials		11,753		6,712
Finished goods		2,251		-
	\$	16,900	\$	6,712

During the three and six months ended April 30, 2022, the Company expensed \$172,763 and \$184,061 respectively, (period from incorporation on April 10, 2021 to April 30, 2021 - \$nil) of inventory in the cost of sales and recorded \$114 (period from incorporation on April 10, 2021 to April 30, 2021 - \$nil) of inventory wastage.

Pangea Natural Foods Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended April 30, 2022 and for the

period from incorporation on April 10, 2021 to April 30, 2021

(Unaudited - Expressed in Canadian dollars)

6. EQUIPMENT

		Computer Equipment		Production Equipment		Total
Cost						
Balance, April 10, 2021	\$	-	\$	-	\$	-
Additions		2,481		21,500		23,981
Balance, October 31, 2021		2,481		21,500		23,981
Additions		-		-		-
Balance, April 30, 2022	\$	2,481	\$	21,500	\$	23,981
Accumulated Depreciation						
Balance, April 10, 2021	\$	-	\$	-	\$	-
Additions		397		512		909
Balance, October 31, 2021	\$	397	\$	512	\$	909
Depreciation		414		1,535		1,949
Balance, April 30, 2022	\$	811	\$	2,047	\$	2,858
Carrying amounts						
At April 30, 2022	\$	1,670	\$	19,453	\$	21,123
At October 31, 2021	\$	2,084	\$	20,988	\$	23,072

During the three and six months ended April 30, 2022, \$768 and \$1,535 (period from incorporation on April 10, 2021 to April 30, 2021 - \$nil) of depreciation was allocated to inventory as overhead.

7. INTANGIBLE ASSET

During the period ended October 31, 2021, the Company acquired the formula which forms the basis for their plant-based patties. During the six months ended April 30, 2022, the Company acquired the formula which forms the basis for their plant-based nuggets.

		Patty Formula		Patty Development Costs		Vegan Nugget Formula		Total
Cost								
Balance, April 10, 2021	\$	-	\$	-	\$	-	\$	-
Additions		25,000		12,000				37,000
Balance, October 31, 2021		25,000		12,000				37,000
Additions		-		-		7,200		7,200
Balance, April 30, 2022	\$	25,000	\$	12,000	\$	7,200	\$	44,200
Carrying amounts								
At April 30, 2022	\$	25,000	\$	12,000	\$	7,200	\$	44,200
At October 31, 2021	\$	25,000	\$	12,000	\$	-	\$	37,000

Pangea Natural Foods Inc.

Notes to the Condensed Interim Financial Statements
For the three and six months ended April 30, 2022 and for the
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(Unaudited - Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE

		April 30, 2022		October 31, 2021
Trade payables	\$	45,162	\$	28,413
Accrued liabilities		32,779		22,638
Payroll payable		8,830		65,771
	\$	86,771	\$	116,822

9. SHAREHOLDERS' EQUITY

Authorized capital

The Company is authorized to issue to an unlimited number of commons shares without par value.

Issued and outstanding capital

As at April 30, 2022, there were 27,335,001 common shares issued and outstanding. Details of the common shares are as follows:

For the six months ended April 30, 2022

On November 17, 2021, the Company completed a second tranche of the private placement, issuing 150,000 units at a price of \$0.10 per unit for gross proceeds of \$15,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance. A value of \$7,500 has been allocated to the common share purchase warrants using the residual method.

For the period from incorporation on April 10, 2021 to April 30, 2021

During the period from incorporation on April 10, 2021 to April 30, 2021, there were no share issuances, other than a single founders share issued on the date of incorporation.

Warrants

Continuity of the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, April 10, 2021	-	\$ -
Issued	8,592,500	0.14
Outstanding, October 31, 2021	8,592,500	\$ 0.14
Issued	75,000	0.20
Outstanding, April 30, 2022	8,667,500	\$ 0.14

Pangea Natural Foods Inc.

Notes to the Condensed Interim Financial Statements
For the three and six months ended April 30, 2022 and for the
period from incorporation on April 10, 2021 to April 30, 2021
(Unaudited - Expressed in Canadian dollars)

9. SHAREHOLDERS' EQUITY (continued)

Warrants (continued)

As at April 30, 2022, the following warrants were outstanding:

Grant date	Warrants outstanding	Exercise price	Expiry date	Remaining contractual life (years)
October 27, 2021	5,200,000	\$0.10	October 27, 2023	1.49
October 27, 2021	3,392,500	\$0.20	October 27, 2023	1.49
November 17, 2021	75,000	\$0.20	November 17, 2023	1.55
	8,667,500	\$0.14		1.49

Options

On February 14, 2022, the Company finalized its Stock Option Plan ("the Plan") which provides that the Board of Directors ("the Board") of the Company may from time to time, in its discretion, grant and issue to directors, senior officers, employees, consultants, consultant company or management company employees or an eligible charitable organization, non-transferable options to purchase common shares of the Company.

All options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan. The number of shares which will be available for purchase pursuant to an option will be equal to the number of shares as determined by the Board from time to time, provided that the number of common shares reversed for issuance will not exceed 10% of the Company's issued and outstanding common shares. If any option expires or otherwise terminates for any reason without having been exercised in full, the number of shares in respect of such expired or terminated option shall again be available for the purposes of granting options pursuant to the Plan.

The grant date and the expiry date of an option shall be the dates fixed by the Board at the time the option is granted, with the expiry date not exceeding ten years from the grant date and shall be set out in the option certificate issued in respect of such option. The exercise price shall also be determined by the Board and set out in the option certificate issued in respect of the option and shall not be less than the Market Price prevailing on the date of grant of such option.

During the three and six months ended April 30, 2022, share-based payments in the amount of \$76,448 and \$76,448 respectively, was recognized on the issuance and vesting of stock options to directors, officers, employees and consultants.

Pangea Natural Foods Inc.

Notes to the Condensed Interim Financial Statements
For the three and six months ended April 30, 2022 and for the
period from incorporation on April 10, 2021 to April 30, 2021
(Unaudited - Expressed in Canadian dollars)

9. SHAREHOLDERS' EQUITY (continued)

Options (continued)

Continuity of the Company's options is as follows:

	Number of options	Weighted average exercise price
Outstanding, April 10, 2021 and October 31, 2021	-	\$ -
Issued	2,350,000	0.10
Outstanding, April 30, 2022	2,350,000	\$ 0.10

As at April 30, 2022, the following options were outstanding:

Options outstanding	Options exercisable	Exercise price	Expiry date	Remaining contractual life (years)
2,350,000	2,350,000	\$0.10	February 14, 2027	4.79

The Company uses the Black-Scholes option pricing model to estimate the fair value of the options granted with a weighted average fair value of \$0.03.

The following weighted average assumptions were used:

Dividend yield	Nil
Forfeiture rate	Nil
Annualized volatility	100%
Risk-free interest rate	1.78%
Expected life	5 years

10. REVENUE

The Company generates revenue primarily from the sale of its plant-based patties. The company also generates revenue from the sale of other food products as well as the occasional sale of raw food products.

Revenue is currently generated in one geographical market, being Canada, and is recognized upon delivery of purchase orders to customers.

Pangea Natural Foods Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended April 30, 2022 and for the

period from incorporation on April 10, 2021 to April 30, 2021

(Unaudited - Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties and related party transactions impacting the condensed interim financial statements not disclosed elsewhere in these condensed interim financial statements are summarized below. Transactions with related parties are incurred in the normal course of business and are initially recorded at fair value.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Remuneration attributed to key management personnel are summarized as follows:

	Three months ended April 30, 2022	Six months ended April 30, 2022	Period from incorporation on April 10, 2021 to April 30, 2021
Salaries and wages, CEO	\$ 29,538	\$ 60,000	\$ -
Share-based payments, CEO and Director	32,531	32,531	-
Share-based payments, Director	8,133	8,133	-
	\$ 70,202	\$ 100,664	\$ -

As at April 30, 2022, \$9,222 (October 31, 2021 - \$66,075) in accounts payable and accrued liabilities was owed to the Chief Executive Officer of the Company.

Other transactions

During the three and six months ended April 30, 2022, the Company completed a sale of raw materials to a Company owned by a Director of the Company in the amount of \$60,705.

12. COMMITMENT

On February 23, 2022, the Company entered into a short-term lease agreement for the lease of a Facility and specific equipment for the manufacturing and storing of the Company's products. The lease commenced on February 16, 2022 and ends on February 16, 2023 with monthly lease payments of \$3,500.

As at April 30, 2022, the Company is committed to minimum lease payments as follows:

Maturity analysis	
Less than one year	\$ 35,000
One to five years	-
Total commitments	\$ 35,000