Pangea Natural Foods Inc.

FINANCIAL STATEMENTS

For the years ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Pangea Natural Foods Inc.:

Opinion

We have audited the financial statements of Pangea Natural Foods Inc. (the "Company"), which comprise the statement of financial position as at October 31, 2023, and the statements of loss and comprehensive loss, changes in shareholders' (deficiency) equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended October 31, 2023 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 of the current period. 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, we have determined the matter described below to be the key audit matters to be communicated in our report.

Revenue Recognition - Wholesale Broker

Key Audit Matter Description

The Company derives its revenues from the wholesale broker stream by selling food products. As described in notes 3 and 4 to the financial statements, management follows the guidance provided in IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), for determining whether the Company is the principal or an agent in these arrangements with customers including related parties.

All revenue is reported on a gross basis, as management has determined it is the principal in respect of these arrangements.

We considered this a key audit matter due to the significant judgments relating to principal vs agent considerations. This resulted in an increased extent of audit effort, including the involvement of internal accounting specialists.

Audit Response

We responded to this matter by performing audit procedures relating to revenue recognition for wholesale broker stream. Our audit work in relation to this included, but was not restricted to, the following:

- Reviewing the Company's stated accounting policy to assess whether performance obligations have been appropriately identified and revenue recognized in accordance with IFRS 15 including principal vs agent considerations;
- Consultation with internal accounting specialists to confirm whether management's assessment of the Company as principal is reasonable with respect to revenues from the wholesale broker stream;
- Obtaining independent revenue confirmations for sales made to related companies during the year along with date of deliveries and certain key terms;
- Assessing the appropriateness and completeness of related disclosures in the financial statements.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 20 to the financial statements, which explains that certain comparative information presented for the year ended October 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

The financial statements for the year ended October 31, 2022, excluding the adjustments that were applied to restate certain comparative information were audited by another auditor who expressed an unmodified opinion on those financial statements on February 27, 2023.

As part of our audit of the financial statements for the year ended October 31, 2023, we also audited the adjustments applied to restate certain comparative information for the year ended October 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review, or apply any procedures to the financial statements for the year ended October 31, 2022. Accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 auditor's 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 auditor's report is Brent Wolfe.

Vancouver, British Columbia

MNP LLP

February 28, 2024

Chartered Professional Accountants

Pangea Natural Foods Inc.
Statements of Financial Position
As at October 31, 2023 and 2022
(Expressed in Canadian dollars)

	Notes		October 31, 2023		October 31, 2022
	20				(Restated)
ASSETS					
Current assets					
Cash		**$**	**51,644**	$	75,951
Accounts receivable and other receivables	5		**48,473**		131,477
Prepaid expenses			**16,555**		176,580
Inventory	6		**59,772**		88,355
			176,444		472,363
Equipment and right-of-use asset	7		**15,275**		22,503
Intangible assets	8		**-**		8,200
Total assets		**$**	**191,719**	$	503,066
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	9	**$**	**329,998**	$	284,333
			329,998		284,333
SHAREHOLDERS' (DEFICIENCY) EQUITY					
Share capital	11		**1,802,680**		801,197
Share subscriptions	11		**95,500**		-
Share-based payments reserve	11		**924,862**		718,571
Deficit			**(2,961,321)**		(1,301,035)
Total shareholders' (deficiency) equity			**(138,279)**		218,733
Total liabilities and shareholders' equity		**$**	**191,719**	$	503,066

Nature of operations and going concern (Note 1)
Subsequent events (Note 21)

Approved and authorized for issue by the Board of Directors on February 28, 2024:

"Pratapvir Sandhu" Director *"Mohammad Fazil"* Director

Pangea Natural Foods Inc.
Statements of Loss and Comprehensive Loss
For the years ended October 31, 2023 and 2022
(Expressed in Canadian dollars)

	Notes		Year ended October 31, 2023		Year ended October 31, 2022
	20				(Restated)
Revenue	12	**$**	**285,590**	$	580,987
Cost of sales	6		**(318,383)**		(540,111)
Gross (loss) profit			**(32,793)**		40,876
Expenses					
Advertising and promotion			**381,030**		272,671
Bad debt	5,15		**31,695**		-
Depreciation	7		**4,157**		40,890
Office and administration			**54,107**		27,724
Professional fees			**599,134**		331,241
Rent	10		**41,625**		30,375
Salaries and wages			**151,850**		160,791
Share-based payments	11		**346,900**		76,448
Total operating expenses			**1,610,498**		940,140
Loss before other items			**(1,643,291)**		(899,264)
Other items					
Foreign exchange loss			**(8,795)**		(6,060)
Impairment of intangible assets	8		**(8,200)**		(36,000)
Listing fees			**-**		(186,518)
Net loss and comprehensive loss for the year		**$**	**(1,660,286)**	$	(1,127,842)
Weighted average number of shares - Basic and diluted			**34,105,028**		27,385,138
Loss per share – Basic and diluted		**$**	**(0.05)**	$	(0.04)

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

(Expressed in Canadian dollars)

	Share capital								
	Number of common shares		**Share capital**		**Share-based payments reserve**		**Deficit**		**Total shareholders' (deficiency) equity**
Balance, October 31, 2021	27,185,001	$	747,070	$	651,250	$	(173,193)	$	1,225,127
Units issued from private placement	150,000		7,500		7,500		-		15,000
Shares issued for exercised warrants	250,000		40,000		(15,000)		-		25,000
Shares issued for exercised options	50,000		6,627		(1,627)		-		5,000
Share-based payments	-		-		76,448		-		76,448
Net loss and comprehensive loss for the year (Restated – Note 20)	-		-		-		(1,127,842)		(1,127,842)
Balance, October 31, 2022 (Restated - Note 20)	27,635,001		801,197		718,571		(1,301,035)		218,733
Units issued from private placement	7,650,000		765,000		-		-		765,000
Share issuance costs	-		(42,517)		12,391		-		(30,126)
Shares issued for exercised warrants	1,230,000		201,000		(75,000)		-		126,000
Shares issued for exercised RSUs	433,333		78,000		(78,000)		-		-
Share subscriptions received	-		95,500		-		-		95,500
Share-based payments	-		-		346,900		-		346,900
Net loss and comprehensive loss for the year	-		-		-		(1,660,286)		(1,660,286)
Balance, October 31, 2023	**36,948,334**	**$**	**1,802,680**	**$**	**924,862**	**$**	**(2,961,321)**	**$**	**(138,279)**

Pangea Natural Foods Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Notes		Year ended October 31, 2023		Year ended October 31, 2022
	20				(Restated)
Operating activities					
Net loss for the year		**$**	**(1,660,286)**	$	(1,127,842)
Items not affecting cash:					
Bad debt	5,15		**31,695**		-
Depreciation	7		**7,228**		43,963
Impairment of intangible assets	8		**8,200**		36,000
Interest expense			**-**		2,926
Impairment of inventory	6		**45,357**		114
Share-based payments	11,13		**346,900**		76,448
Unrealized foreign exchange loss			**-**		(5,909)
Non-cash working capital items:					
Accounts receivable and other receivables			**51,309**		(47,852)
Prepaid expenses			**160,025**		207,386
Inventory			**(16,774)**		(81,757)
Accounts payable and accrued liabilities			**45,665**		177,922
Net cash used in operating activities			**(980,681)**		(718,601)
Investing activities					
Purchase of intangible asset			**-**		(7,200)
Net cash used in investing activities			**-**		(7,200)
Financing activities					
Proceeds from subscriptions received	11		**95,500**		-
Proceeds from issuance of units	11		**765,000**		15,000
Share issuance costs	11		**(30,126)**		-
Proceeds from exercised warrants	11		**126,000**		25,000
Proceeds from exercised stock options			**-**		5,000
Lease payments			**-**		(46,320)
Net cash provided by (used in) financing activities			**956,374**		(1,320)
Effect of exchange rate changes on cash			**-**		(4,502)
Change in cash			**(24,307)**		(731,623)
Cash, beginning of year			**75,951**		807,574
Cash, end of year		**$**	**51,644**	$	75,951

Supplemental cash flow information:				
Finder's warrants issued	**$**	**12,391**	$	-
Fair value of RSUs exercised	**$**	**78,000**	$	-
Interest received	**$**	**1,060**	$	-

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

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. On July 4, 2022, the Company listed its common shares on the Canadian Securities Exchange under the trading symbol "PNGA".

The Company manufactures and distributes high quality food products that are nutritious and free of GMO ingredients, fillers, antibiotics, hormones, and bioengineered ingredients.

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 $1,660,286 for the year ended October 31, 2023 (2022 – $1,127,842 (restated)), and as of that date the Company's accumulated deficit was $2,961,321 (2022 – $1,301,035 (restated)). 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 events and conditions indicate 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.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were approved and authorized for issuance on February 28, 2024 by the Board of Directors.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities measured at fair value, as explained in the accounting policies set out below. 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied and consistently presented in these financial statements, unless otherwise indicated.

a) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is determined based on the currency of the primary economic environment in which the Company operates. The functional currency of the Company is the Canadian dollar. The presentation currency of the Company is the Canadian dollar.

Transactions and balances
At the transaction date, each asset, liability, revenue, and expense denominated in a foreign currency is translated into the functional currency using the exchange rate in effect at that date. At the reporting period end date, monetary assets and liabilities are translated into the functional currency using the exchange rate in effect at that date and the related translation differences are recognized in the statement of loss and comprehensive loss.

b) Earnings (loss) per share

Basic loss per share is calculated by dividing the Company's net loss for the period by the weighted average number of shares outstanding. Diluted earnings per share is calculated by dividing the Company's net earnings by the sum of the weighted average number of shares issued and outstanding, assuming all additional shares that would have been outstanding if potentially dilutive instruments were converted. Diluted loss per share excludes potentially dilutive instruments from the calculation, as their inclusion would be anti-dilutive. Therefore, diluted loss per share is equivalent to basic loss per share.

c) Revenue recognition

The Company primarily generates revenue from the sale of its plant-based patty, Munchie mix, Ghee and Energy gel products (Wholesale distributor revenue) and other food products ((Wholesale broker revenue).

The Company follows IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), to recognize its revenue. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, the Company's accounting policy for revenue recognition is as follows: i) identify the contract with the customer; ii) identify the performance obligation(s) in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligation(s); and (v) recognize revenue when (or as) performance obligations are satisfied.

Revenue is recognized at the point in which the performance obligation under the terms of a contract with the customer has been satisfied and control has been transferred. The Company's performance obligation is typically defined as the accepted purchase order with the customer, which requires the Company to deliver the requested products at agreed-upon prices at the time and location of the customer's choice. The Company satisfies its performance obligation and transfers control to the customer upon customer receipt of the product either at their warehouse or picked up by the customer from the Company's warehouse. Billings rendered in advance of performance under contracts are recorded as deferred revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Revenue recognition (continued)

Based on the terms of the Company's arrangements with suppliers regarding agency relationships, the Company has determined that it acts as a principal relating to wholesale broker revenue. As such, revenues are accounted for on a gross basis.

Revenue is measured at the fair value of the consideration received or receivable, net of estimated returns and discounts. None of the Company's customer contracts contain a significant financing component.

d) Inventories and cost of sales

Inventories are recorded at the lower of cost or net realizable value. Cost is determined using the weighted average method. In addition to product costs, inventory costs include direct expenditures such as direct labour, shipping and freight supplies and expenses and any third-party costs, as well as indirect expenditures such as rent and depreciation of production equipment. Inventories are comprised primarily of raw materials purchase costs and direct labour. The Company reviews the quantities and conditions of the inventory on hand on a regular basis and records a provision for spoiled inventory when it is incurred. Any write-down recorded of inventory is included in cost of sales within the statement of loss and comprehensive loss.

e) Financial instruments

Recognition, classification and measurement
Financial assets and liabilities are classified and measured based on the business model for managing the financial instruments and the contractual cash flow characteristics of the financial instruments. IFRS 9 contains three primary measurement categories for financial instruments: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). Derivative financial instruments entered into by the Company that do not meet hedge accounting criteria are classified as FVTPL.

Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. All financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially recognized at fair value plus or minus transaction costs, unless the financial instrument is carried at FVTPL, in which case transaction costs are expensed in the statement of loss and comprehensive loss.

Financial assets and financial liabilities are offset, and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments (continued)

The Company has classified its accounts receivable, and accounts payable and accrued liabilities as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period.

The Company has classified its cash as a financial asset measured at FVTPL. The Company has no financial instruments classified as at FVTOCI.

Derecognition
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized in its statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets, then the transferred assets are not derecognized.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of loss and comprehensive loss.

Impairment of financial assets
The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivable are measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments (continued)

Impairment of financial assets
An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

When an event causes the amount of an impairment loss to decrease, subsequent to the initial recognition of that loss, the decrease in impairment loss is reversed through the statement of loss and comprehensive loss in the period in which the decrease occurs.

f) Income taxes

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

Current income tax
Current income tax for the period is measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority, and the Company intends to and has the ability to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation amount can be made. The amount recognized is the best estimate of the consideration required to settle the present obligation at the statements of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

h) Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. This includes the purchase price, any other costs directly attributable to bringing the assets to a working condition for intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of equipment comprises significant parts with useful lives that are significantly different from that of the asset as a whole, the parts are accounted for as separate items of equipment and depreciated accordingly. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognizing an asset determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized through the statement of loss and comprehensive loss.

Equipment is depreciated over its estimated useful life. Costs for normal repairs and maintenance that do not extend economic life or improve service potential are expensed as incurred. Costs of improvements that extend economic life or improve service potential are capitalized and depreciated over the estimated remaining useful life.

The Company commences recording depreciation when the assets are in a working condition ready for use using the straight-line method at the following rates:

Class	Useful Life
Computer equipment	3 years
Production equipment	7 years

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Impairment of assets

The carrying amount of the Company's non-financial assets (which include equipment and inventory) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

j) Intangible assets

Intangible assets with finite lives are measured on initial recognition at cost, which comprises the purchase price plus any directly attributable costs of preparing the asset for intended use. Following initial recognition, such intangible assets are carried as cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether this status continues to be appropriate.

Class	Useful Life
Formula	Indefinite

k) Share capital

The Company records proceeds from common share and unit issuances net of issue costs and any related tax effects. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Share capital (continued)

Proceeds from unit offerings, which consist of common shares and share purchase warrants, are bifurcated using the residual value approach whereby the common share component of the unit is measured at fair value based on the most recent equity financing prior to the Company becoming a reporting issuer on June 20, 2022, and based on the quoted trading price of the Company's common shares thereafter, and the warrant component is measured by reference to the residual value, if any. Any value allocated to the warrant component is credited to share-based payments reserve.

l) 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 share-based payments reserve. Subsequently, the amount together with the consideration received for the shares on the exercise of the stock options 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 to non-employees are measured at the fair value of goods or services received. The restricted share units ("RSUs") entitle directors, officers, employees, and consultants to either the issuance of common shares or cash payments payable upon vesting based on vesting terms determined by the Company's Board of Directors at the time of the grant. The Company reserves the right to change the form of payment at anytime until payment is made. The RSUs are measured at the fair value of awards on the grant date using the prior days closing price. Amounts recorded for forfeited unvested RSUs are unrecognized in the period the forfeiture occurs. The expense is recognized on a graded vesting basis over the vesting period, with a corresponding charge to the statement of loss and comprehensive loss.

m) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lessees are permitted to make an election for leases with a term of 12 months or less, or where the underlying asset is of low value, and not recognize lease assets and lease liabilities. For short term leases, the Company has elected to use this election, and has recognized rent expense associated with these leases on a straight-line basis over the lease term within the statement of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Leases (continued)

Right-of-use asset

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use assets are subsequently amortized from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's borrowing rate.

Lease payments included in the measurement of the lease liability are comprised of the following payments during the lease term: fixed payments (including in-substance fixed payments), and the exercise price under a purchase option that the Company is reasonably certain to exercise.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of loss and comprehensive loss if the carrying amount of the right-of-use asset has been reduced to zero.

n) New standards and interpretations not yet applied.

New accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES

The preparation of these 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 financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

Judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are outlined below.

Going concern
The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Principal vs Agent
The Company is required to make judgements with respect to its relationships with suppliers. Based on the terms of the arrangements, the Company determines whether it has the primary responsibility for providing the goods to the customer or for fulfilling its orders, whether it has inventory risk, whether it has latitude in establishing prices, and whether it bears credit risk or other risks pertinent to the transaction.

Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

Valuation of inventory
In calculating final inventory values, management is required to determine an estimate of spoiled, obsolete or expired inventory and compares the inventory cost to estimated net realizable value. The Company must determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased or inventory has spoiled or has otherwise been damaged.

4. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES (continued)

Estimates (continued)

Fair value calculation of 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.

Impairment of non-financial assets
The Company has determined that the acquired intangible assets have indefinite useful lives. Therefore, at each reporting date, the Company is required to estimate the recoverable amount of the intangible assets. An asset's recoverable amount is the higher of an asset's (or CGU's) fair value less costs of disposal and its value in use.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other relevant fair value indicators. The Company bases its impairment calculations on the most recent management forecast calculations, which are prepared separately for each of the Company's CGUs to which the intangible assets are allocated.

Expected credit losses
In assessing whether an allowance is necessary, the Company uses historical trends to determine the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Given the nature, balances and the collection history of the Company's accounts receivable, management has applied a loss allowance of $31,695 as at October 31, 2023.

Deferred income taxes
The measurement of the deferred 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 deferred 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. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company's deferred tax assets and tax provisions could be affected.

(Expressed in Canadian dollars)

5. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

		October 31, 2023		October 31, 2022
				(Restated)
Accounts receivable (Note 13)	$	71,864	$	92,555
Expected credit loss (Note 15)		(31,694)		-
Sales tax recoverable		8,303		38,922
	$	48,473	$	131,477

6. INVENTORY

		October 31, 2023		October 31, 2022
Raw materials	$	-	$	4,188
Finished goods		2,638		-
Packaging materials		57,134		84,167
	$	59,772	$	88,355

During the year ended October 31, 2023, the Company expensed $265,256 (2022 – $539,997 (restated)) of inventory in cost of sales and recorded $7,744 (2022 - $114) of inventory wastage as cost of sales within the statement of loss and comprehensive loss.

During the year ended October 31, 2023, the Company recognized an impairment loss in cost of sales of $37,613 (2022 – $Nil) due to damage and inventory no longer needed.

(Expressed in Canadian dollars)

7. EQUIPMENT AND RIGHT-OF-USE ASSET

	Computer equipment	Production equipment	Right-of-use asset	Total
Cost				
Balance, October 31, 2021	$ 2,481	$ 21,500	$ -	$ 23,981
Additions	-	-	43,394	43,394
Balance, October 31, 2023 and 2022	**$ 2,481**	**$ 21,500**	**$ 43,394**	**$ 67,375**
Accumulated depreciation				
Balance, October 31, 2021	$ 397	$ 512	$ -	$ 909
Depreciation	826	3,073	40,064	43,963
Balance, October 31, 2022	1,223	3,585	40,064	44,872
Depreciation	827	3,071	3,330	7,228
Balance, October 31, 2023	**$ 2,050**	**$ 6,656**	**$ 43,394**	**$ 52,100**
Carrying amounts				
At October 31, 2022	$ 1,258	$ 17,915	$ 3,330	$ 22,503
At October 31, 2023	**$ 431**	**$ 14,844**	**$ -**	**$ 15,275**

During the year ended October 31, 2022, $3,071 (2022 - $3,073) of depreciation was allocated to inventory as overhead.

8. INTANGIBLE ASSETS

During the period ended October 31, 2021, the Company acquired the formula which forms the basis for their plant-based patties and incurred development costs. During the year ended October 31, 2022, the Company acquired the formula which forms the basis for their plant-based nuggets.

	Patty formula	Nugget formula	Total
Cost			
Balance, October 31, 2021	$ 37,000	$ -	$ 37,000
Additions	-	7,200	7,200
Impairment	(36,000)	-	(36,000)
Balance, October 31, 2022	1,000	7,200	8,200
Impairment	(1,000)	(7,200)	(8,200)
Balance, October 31, 2023	**$ -**	**$ -**	**$ -**
Carrying amounts			
At October 31, 2022	$ 1,000	$ 7,200	$ 8,200
At October 31, 2023	**$ -**	**$ -**	**$ -**

During the year ended October 31, 2023, the Company decided to discontinue the nuggets product and recognized an impairment loss of $8,200 (2022 – $36,000) relating to the nuggets formula.

(Expressed in Canadian dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		October 31, 2023		October 31, 2022
				(Restated)
Trade payables (Note 13)	$	**235,339**	$	129,243
Accrued liabilities (Note 13)		**80,654**		145,228
Payroll payable		**14,005**		9,862
	$	**329,998**	$	284,333

10. LEASE LIABILITY

The Company has a lease for premises for an office space. The lease expired on November 30, 2022 and was not renewed. The following table presents the lease liability of the Company.

Lease liability		**Total**
Balance, October 31, 2021	$	-
Additions		43,394
Interest expense		2,926
Lease payments		(46,320)
Balance, October 31, 2023 and 2022	**$**	**-**

On February 16, 2022, the Company entered into an annual facility lease agreement with a related party (Note 13), and month-to-month after, for $3,500 per month. The facility lease was terminated on August 31, 2023.

On September 1, 2023, the Company entered into an office space lease agreement, on a month-to-month basis for $3,500 per month.

11. SHARE CAPITAL

Authorized capital

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

Issued and outstanding capital

As at October 31, 2023, there were 36,948,334 common shares issued and outstanding.

For the year ended October 31, 2023

On November 21, 2022, the Company issued 700,000 common shares pursuant to the exercise of warrants at a price of $0.10 per common share for gross proceeds of $70,000. In connection with the issuance, $42,000 was transferred from share-based payments reserve to share capital.

11. SHARE CAPITAL (continued)

Issued and outstanding capital (continued)

For the year ended October 31, 2023 (continued)

On February 13, 2023, the Company completed a private placement, issuing 7,650,000 units at a price of $0.10 per unit for gross proceeds of $765,000. 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. In connection with the private placement, the Company issued 128,000 finder's warrants, paid a cash finder's fee of $12,800 and legal fees of $17,326. The finder's warrants have the same terms as those in the private placement unit.

On February 17, 2023, the Company issued 30,000 common shares pursuant to the exercise of warrants at a price of $0.20 per common share for gross proceeds of $6,000. In connection with the issuance, $3,000 was transferred from share-based payments reserve to share capital.

On May 3, 2023, the Company issued 500,000 common shares pursuant to the exercise of warrants at a price of $0.10 per common share for gross proceeds of $50,000. In connection with the issuance, $30,000 was transferred from share-based payments reserve to share capital.

On September 5, 2023, the Company issued 433,333 common shares pursuant to the exercise of 433,333 RSUs. In connection with the issuance, $78,000 was transferred from share-based payments reserve to share capital.

As at October 31, 2023, the Company has received $95,500 in subscription receipts for a non-brokered private placement that closed subsequent to the year end (Note 21).

For the year ended October 31, 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 value method.

On July 13, 2022, the Company issued 50,000 common shares pursuant to the exercise of options for gross proceeds of $5,000 at a price of $0.10 per common share. In connection with the issuance, $1,627 was transferred from share-based payments reserve to share capital.

On July 20, 2022, the Company issued 50,000 common shares pursuant to the exercise of warrants for gross proceeds of $5,000 at a price of $0.10 per common share. In connection with the issuance, $3,000 was transferred from share-based payments reserve to share capital.

On September 6, 2022, the Company issued 100,000 common shares pursuant to the exercise of warrants for gross proceeds of $10,000 at a price of $0.10 per common share. In connection with the issuance, $6,000 was transferred from share-based payments reserve to share capital.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Issued and outstanding capital (continued)

For the year ended October 31, 2022 (continued)

On September 14, 2022, the Company issued 100,000 common shares pursuant to the exercise of warrants for gross proceeds of $10,000 at a price of $0.10 per common share. In connection with the issuance, $6,000 was transferred from share-based payments reserve to share capital.

Escrowed common shares

As at October 31, 2023, the Company had 13,860,001 common shares held in escrow (2022 – 20,440,001). The common shares are being released from escrow 10% on the listing date of July 4, 2022 and 15% every six months after the listing date. All securities will be release from escrow by thirty-six months after the listing date.

Warrants

Continuity of the Company's warrants is as follows:

	Numbers of warrants	Weighted average exercise price
Outstanding, October 31, 2021	8,592,500	$ 0.14
Issued	75,000	0.20
Exercised*	(250,000)	0.10
Outstanding, October 31, 2022	8,417,500	0.14
Issued	3,953,000	0.20
Exercised**	(1,230,000)	0.10
Expired	(7,112,500)	0.15
Outstanding, October 31, 2023	**4,028,000**	**$ 0.20**

*The weighted average market price of the Company's common shares on the dates of exercise was $0.15.

**The weighted average market price of the Company's common shares on the date of exercise was $0.15.

As at October 31, 2023, the following warrants were outstanding:

Grant date	Warrants outstanding	Exercise price	Expiry date	Remaining contractual life (years)
November 17, 2021	75,000*	$0.20	November 17, 2023	0.05
February 13, 2023	3,825,000	$0.20	February 13, 2025	1.29
February 13, 2023	128,000**	$0.20	February 13, 2025	1.29
	4,028,000	$0.20		1.28

*Warrants expired subsequent to year end

**Finder's warrants

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Warrants (continued)

As at October 31, 2022, the following warrants were outstanding:

Grant date	Warrants outstanding	Exercise price	Expiry date	Remaining contractual life (years)
September 28, 2021	4,950,000	$0.10	September 28, 2023	0.91
October 27, 2021	3,392,500	$0.20	October 27, 2023	0.99
November 17, 2021	75,000	$0.20	November 17, 2023	1.05
	8,417,500	$0.14		0.94

The Company uses the Black-Scholes option pricing model to estimate the fair value of the finder's warrants granted. The following assumptions were used:

	2023
Stock Price	$0.18
Exercise price	$0.20
Dividend yield	Nil
Forfeiture rate	Nil
Annualized volatility	105%
Risk-free interest rate	4.07%
Expected life	2 years

Annualized volatility was derived from a sample of similar publicly traded companies.

Options

On February 13, 2023, the Company's Board of Directors approved the adoption of a new rolling 15% omnibus share incentive plan (the "Plan") to supersede the Company's existing rolling 10% incentive stock option plan. The Plan provides for the award of additional share-based payments in addition to incentive stock options, including restricted share units, performance share units and deferred share units to directors, officers, employees and consultants of the Company.

The aggregate number of shares reserved for issuance pursuant to awards granted under this Plan shall not exceed 15% of the Company's total issued and outstanding common shares. If any outstanding award expires or otherwise terminates for any reason without having been exercised or settled in cash, the number of shares in respect of such expired or terminated award shall again be available for issuance under the Plan.

The grant date and the expiry date of an option shall be the dates fixed by the Board at the time the options are 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 certificate issued in respect of the option and shall not be less than the greater of the closing market price prevailing on the date prior to the date of grant and the date of grant of such option.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Options (continued)

During the year ended October 31, 2023, share-based payments in the amount of $133,026 (2022 - $76,448) were recognized on the issuance and vesting of stock options.

Continuity of the Company's options is as follows:

	Number of options	Weighted average exercise price
Outstanding, October 31, 2021	-	$ -
Granted	2,350,000	0.10
Exercised*	(50,000)	0.10
Outstanding, October 31, 2022	2,300,000	0.10
Granted	1,047,750	0.18
Forfeited	(850,000)	0.12
Outstanding, October 31, 2023	2,497,750	$ 0.13

*The closing market price of the Company's common shares on July 13, 2022, the date of exercise, was $0.25.

As at October 31, 2023, the following options were outstanding:

Options outstanding	Options exercisable	Exercise price	Expiry date	Remaining contractual life (years)
1,650,000	1,650,000	$0.10	February 14, 2027	3.29
847,750	847,750	$0.18	February 13, 2026	2.29
2,497,750	2,497,750	$0.13		2.95

As at October 31, 2022, the following options were outstanding:

Options outstanding	Options exercisable	Exercise price	Expiry date	Remaining contractual life (years)
2,300,000	2,300,000	$0.10	February 14, 2027	4.29

The Company uses the Black-Scholes option pricing model to estimate the fair value of the options granted. The following assumptions were used:

	2023	2022
Stock Price	$0.18	$0.05
Exercise price	$0.18	$0.10
Dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Annualized volatility	117%	100%
Risk-free interest rate	3.75%	1.78%
Expected life	3 years	5 years

Annualized volatility was derived from a sample of similar publicly traded companies.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Restricted Share Units ("RSUs")

On February 13, 2023, pursuant to the Company's Plan, the Company granted 2,050,000 RSUs to consultants of the Company. 1,850,000 of the RSUs will vest over 18 months from the date of grant, with a third vesting every six months. The remaining 200,000 RSUs will vest on April 16, 2024.

On September 22, 2023, the Company granted 264,000 RSUs to a consultant of the Company. The granted RSUs will vest over 6 months from the date of grant, with a sixth vesting every month.

The fair value of the RSUs is determined by the quoted market price of the Company's common shares at date of grant. Share-based payment is recognized in the statement of loss and comprehensive loss over the vesting period.

At the discretion of the Board of Directors, RSUs may be settled in equity, cash or a combination of both. The fair value of RSUs, which are settled in equity, is recognized as a share-based payment with a corresponding increase in share-based payments reserve, over the vesting period. The fair value of RSUs, when settled in cash, is recognized as a share-based payment with a corresponding increase in liabilities, over the vesting period.

During the year ended October 31, 2023, the Company recognized share-based payments of $213,874 (2022 – $Nil) relating to the vesting of the RSUs.

As at October 31, 2023, the Company had 1,330,667 RSUs outstanding (2022 – Nil) of which 44,000 were vested.

Continuity of the Company's RSUs is as follows:

	Number of Restricted Share Units
Balance, October 31, 2022 and 2021	-
Granted	2,314,000
Exercised	(433,333)
Forfeited	(550,000)
Balance, October 31, 2023	1,330,667

12. REVENUE

The Company generates revenue primarily from the sale of its plant-based patties and Old-Fashioned Ghee. The Company also generates revenue from the sale of other food products as well as the sale of raw food products.

During the year ended October 31, 2023, the Company completed sales of raw materials to a company owned by a director of the Company in the amount of $126,229 (2022 – $236,640 (restated)).

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

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

Related parties consist of the directors, officers and companies owned or controlled in whole or in part by them. Related parties and related party transactions impacting the financial statements not disclosed elsewhere in these financial statements are summarized below.

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 is summarized as follows:

	Year ended October 31, 2023	Year ended October 31, 2022
Advertising and promotion	**$ 10,000**	$ -
Professional fees	**129,762**	103,523
Rent	**35,000**	40,000
Share-based payments	**12,411**	40,664
Salaries and wages	**128,030**	120,000
	$ 315,203	$ 304,187

As at October 31, 2023, included in accounts payable and accrued liabilities was $20,464 (2022 – $20,049) owed to the CEO of the Company, $50,563 (2022 - $20,190) owed to a management entity for the provision of CFO services, $3,311 (2022 – $7,844) owed to a company owned by a director of the Company, and $45,866 (2022 - $50,702) owed to companies that the CEO of the Company has significant influence over.

As at October 31, 2023, included in accounts receivable was $433 (2022 - $Nil) owed by a company that the CEO of the Company has significant influence over.

As at October 31, 2023, $Nil (2022 – $Nil (restated)) included in accounts receivable was owed by a company owned by a director of the Company.

Other transactions

During the year ended October 31, 2023, the Company incurred $12,052 (2022 - $Nil) for purchases of inventory and completed sales of raw materials to a company owned by a director of the Company in the amount of $126,229 (2022 – $236,640 (restated)).

During the year ended October 31, 2023, the Company incurred listing fees of $Nil (2022 - $19,835) with a management entity.

During the year ended October 31, 2023, the Company incurred $53,304 (2022 - $102,990) for purchases of inventory, $1,620 (2022 - $39,340) for labour included in inventory, $Nil (2022 - $7,200) in intangible assets, $35,000 (2022 - $40,000) for rent of which $875 (2022 - $10,000) is included in inventory, and $413 (2022 - $1,950) in sales to companies that the CEO of the Company has significant influence over.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to support its business plan, as well as to ensure that the Company is able to meet its financial obligations as they become due. The Company considers its capital for this purpose to be shareholders' equity.

The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may seek additional funding.

The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital. There have been no changes in the way in which the Company manages capital in the year. As at October 31, 2023, the Company expects its capital resources and projected future cash flows from operations to support its normal operating requirements on an ongoing basis. As at October 31, 2023, there were no externally imposed restrictions on the capital, or management thereof, of the Company.

15. FINANCIAL RISK MANAGEMENT

Fair values

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. Cash is carried at fair value through profit or loss, while accounts receivable and accounts payable and accrued liabilities are carried at amortized cost. The fair values of accounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short terms to maturity.

The Company classifies its financial assets at FVTPL according to the fair value hierarchy as follows:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at October 31, 2023 and 2022, cash was measured at FVTPL in accordance with Level 1 of the fair value hierarchy. The Company had no transfers between levels of the fair value hierarchy during the year ended October 31, 2023.

Financial risks

The Company is exposed in varying degrees to a variety of financial instrument-related risks. Significant risks that are relevant to the Company, as well as methods to manage the various types of risk to which it is exposed, are discussed below:

15. FINANCIAL RISK MANAGEMENT (continued)

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprised three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company's functional and presentation currency is the Canadian dollar and financings and major purchases are transacted in Canadian dollars. During the year ended October 31, 2023, the company had sales in USD of $94,112, and purchase in USD of $140,714. As a result, the Company is exposed to the foreign currency risk on fluctuations.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest earned on cash is insignificant and the Company does not rely on interest income to fund its operations. As a result, the Company's exposure to interest rate risk is not considered to be material. The Company has not had a material change in or management of this risk during the year ended October 31, 2023.

Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company does not hold equity investments in other entities and therefore is not exposed other price risk. The Company's exposure to and management of this risk has not changed materially during the year ended October 31, 2023.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and accounts receivable are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with either major financial institutions or reputable institutions with a sufficiently long operating history to be considered reliable for credit worthiness purposes. The Company mitigates credit risk by monitoring its exposure for credit losses with customers. 87% of the accounts receivable balance at October 31, 2023 relates to two customers (2022 – 78%(restated)). The Company has determined that a provision of $31,694 (2022 - $Nil) for expected credit losses is required as the amount is considered not collectible.

(Expressed in Canadian dollars)

15. FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through the management of its capital structure. The Company addresses its liquidity by raising capital through the issuance of equity to supplement revenues from operations. 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.

The tables below summarize the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at October 31, 2023 and 2022.

October 31, 2023	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	$329,998	$ -	$329,998

October 31, 2022 (Restated)	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	$284,333	$ -	$284,333

16. ECONOMIC DEPENDENCE

During the year ended October 31, 2023, three key customers (2022 – two) contributed more than 10% to the Company's revenue for a total of $244,009 or 85% (2022 – $310,165 (restated) or 53%(restated)).

	Year ended October 31, 2023	Year ended October 31, 2022
		(Restated)
Customer A	**$ 126,229**	$ 236,640
Customer B	**61,441**	73,525
Customer C	**55,316**	-
	$ 242,986	$ 310,165

During the year ended October 31, 2023, five key suppliers (2022 – three) provided more than 87% to the Company's purchase for a total of $ 273,680 or 87% (2022 – $298,876 or 69%).

	Year ended October 31, 2023	Year ended October 31, 2022
Supplier A	**$ 56,808**	$ -
Supplier B	**64,780**	-
Supplier C	**60,500**	-
Supplier D	**38,252**	-
Supplier E	**53,340**	102,990
Supplier F	**-**	94,703
Supplier G	**-**	101,183
	$ 273,680	$ 298,876

(Expressed in Canadian dollars)

17. SEGMENTED INFORMATION

The Company currently has one reportable operating segment, being the manufacturing and distribution of food products in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts. All long-term assets of the Company are located in Canada.

18. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2022 – 27%) to the effective tax rate is as follows:

		Year ended October 31, 2023		Year ended October 31, 2022
				(Restated)
Net loss before taxes	**$**	**(1,660,286)**	$	(1,127,842)
Expected income tax recovery		**(448,000)**		(305,000)
Temporary differences and other		**115,000**		34,000
Financing fee charged to equity		**(8,000)**		-
Change in estimate		**(3,000)**		-
Change in tax benefits not recognized		**344,000**		271,000
	$	**-**	$	-

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		October 31, 2023		October 31, 2022
				(Restated)
Share issuance cost	**$**	**11,000**	$	-
Equipment	**$**	**14,000**	$	10,000
Bad debt	**$**	**9,000**	$	-
Non-capital losses	**$**	**629,000**	$	308,000

The Company has approximately $2,328,000 of non-capital income losses available, which begin to expire in 2040 through to 2043 and may be applied against future taxable income.

The Company has not recorded deferred tax assets related to these unused non-capital loss carryforwards as it is not probable that future taxable profits will be available to utilize these loss carryforwards.

19. PROPOSED TRANSACTION

On April 21, 2023, the Company entered into a share exchange agreement with Glory Organic Juice Company Inc., Glory Juice Co. Vancouver Ltd. (collectively, "Glory Juice") and the shareholders of Glory Juice ("Vendors"). Pursuant to the agreement, the Company will acquire all the issued and outstanding shares of Glory Juice and upon completion of the acquisition, each of the Glory Juice entities will become wholly-owned subsidiaries of the Company. In consideration for the purchased shares:

- The Company will issue an aggregate of 6,000,000 common shares of the Company to the Vendors. The shares will be subject to contractual resale restrictions, pursuant to which 10% of the shares will be released on the closing date of the acquisition and 15% of the shares will be released every 6 months thereafter.

- The Company will cause Glory Juice to repay outstanding loans owing to certain shareholders of Glory Juice in the aggregate amount of approximately $1,800,000, through the issuance of secured promissory notes by Glory Juice. The promissory notes will be repayable in equal quarterly instalments over a 56-month period, with first instalment payable on the closing date. The promissory notes will rank senior, secured by all the assets and property of Glory Juice, subject to certain specific permitted encumbrances, pursuant to a general security agreement and guaranteed by the Company.

The acquisition is subject to customary closing conditions as set out in the agreement, including obtaining the applicable third party, corporate and regulatory approvals.

During the year ended October 31, 2023, the Company incurred $114,710 professional fee relating to the acquisition of Glory Juice.

(Expressed in Canadian dollars)

20. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Company has restated is comparative column to these financial statements for the year ended October 31, 2022. During the current year, the Company determined that performance obligations for revenue to a related party and a third party, were not satisfied in accordance with the Company's stated accounting policy. The Company also incorrectly recognized an accounts payable and cost of sales relating to the above transactions.

The following tables present the impact of the restatement on the Company's previously reported financial statements for the year ended October 31, 2022.

Statement of financial position impacts	Previously reported	Adjustments	Restated
ASSETS			
Current assets			
Cash	$ 75,951	$ -	$ 75,951
Accounts receivable and other receivables	248,750	(117,273)	131,477
Prepaid expenses	176,580	-	176,580
Inventory	88,355	-	88,355
	589,636	(117,273)	472,363
Equipment and right-of-use asset	22,503	-	22,503
Intangible assets	8,200	-	8,200
Total assets	$ 620,339	$ (117,273)	$ 503,066
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 408,574	$ (124,241)	$ 284,333
	408,574	(124,241)	284,333
SHAREHOLDERS' EQUITY			
Share capital	801,197	-	801,197
Share-based payments reserve	718,571	-	718,571
Deficit	(1,308,003)	6,968	(1,301,035)
Total shareholders' equity	211,765	6,968	218,733
Total liabilities and shareholders' equity	$ 620,339	$ (117,273)	$ 503,066

(Expressed in Canadian dollars)

20. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (continued)

Statement of loss and comprehensive loss impacts	Previously reported	Adjustments	Restated
Revenue	$ 698,260	$ (117,273)	$ 580,987
Cost of sales	(657,287)	117,176	(540,111)
Gross profit	40,973	(97)	40,876
Operating expenses	(940,140)	-	(940,140)
Other items	(235,643)	7,065	(228,578)
Net loss and comprehensive loss for the year	$ (1,134,810)	$ 6,968	$ (1,127,842)
Loss per share – Basic and diluted	$ (0.04)	$ -	$ (0.04)

Statement of cash flow impacts	Previously reported	Adjustments	Restated
Net cash used in operating activities	$ (718,601)	$ -	$ (718,601)
Net cash used in investing activities	(7,200)	-	(7,200)
Net cash used in financing activities	(1,320)	-	(1,320)

21. SUBSEQUENT EVENTS

i) In November 2023, the Company closed the first tranche of the non-brokered private placement. The Company issued 1,636,998 units at a price of $0.15 per unit for gross proceeds of $245,550. Each unit consists of one common share and one half of one share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of $0.25 for a period of 24 months from the date of closing.

ii) In December 2023, the Company received share subscription proceeds totalling $10,000 in connection with the second tranche of the non-brokered private placement.

iii) In December 2023, the Company cancelled 264,000 RSUs previously granted to a consultant and granted 180,000 RSUs to a consultant of the Company. The granted RSUs will vest over 6 months from the date of grant, with a sixth vesting every month.

iv) In January 2024, the Company closed the second tranche of the non-brokered private placement. The Company issued 400,000 units at a price of $0.15 per unit for gross proceeds of $60,000. Each unit consists of one common share and one half of one share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of $0.25 for a period of 24 months from the date of closing.

v) In February 2024, 493,334 RSUs vested and were converted to common shares.