

CULT Food Science Corp.

Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian dollars)

For the three months ended March 31, 2025 and 2024

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

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

The accompanying unaudited condensed interim consolidated financial statements of Cult Food Science Corp. have been prepared by and are the responsibility of management.

These condensed interim consolidated financial statements for the three months ended March 31, 2025 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

CULT Food Science Corp.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian dollars

	Note	March 31, 2025 (unaudited) \$	December 31, 2024 (audited) \$
Assets			
Current assets			
Cash		201	134,033
Accounts receivable		14,829	14,154
Inventories		9,596	12,124
Prepaid expenses		25,781	53,168
		50,407	213,479
Non-current assets			
Investments	4	3,298,863	3,301,846
Equipment	3	3,352	3,619
Total assets		3,352,622	3,518,944
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	10	363,913	315,072
Convertible debenture	6	343,443	311,211
Current portion of note payable	7	150,948	129,501
		858,304	755,784
Non-current liabilities			
Note payable	7	338,768	368,112
Total liabilities		1,197,072	1,123,896
Shareholders' equity			
Share capital	8	23,043,183	22,501,532
Reserves	8	4,153,304	4,372,412
Accumulated other comprehensive income (loss)		4,943	(680)
Deficit		(24,977,737)	(24,424,421)
Attributable to parent		2,223,693	2,448,843
Non-controlling interest	2	(68,143)	(53,795)
Total shareholders' equity		2,155,550	2,395,048
Total liabilities and shareholders' equity		3,352,622	3,518,944

Corporate Information and Going Concern (Note 1)

Contingency (Note 11)

Subsequent Events (Note 12)

Approved on behalf of the Board of Directors by:

*"Dorian Banks"*_____
Director*"Kirill Kompaniyets"*_____
Director

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

CULT Food Science Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Unaudited - Expressed in Canadian dollars

	Note	Three months ended	
		March 31,	
		2025	2024
		\$	\$
Revenue		3,541	154
Direct costs		(2,528)	-
		1,013	154
Expenses			
Consulting fees	10	243,098	28,200
Depreciation	3	267	386
Marketing		21,405	7,701
Office and administration		63,932	13,991
Professional fees		31,352	36,028
Share-based compensation	8, 10	332,516	31,469
Transfer agent and filing fees		4,455	5,452
Total expenses		697,025	123,227
Loss from operating activities		(698,995)	(114,160)
Other items			
Accretion and interest expense	6, 7	(48,581)	(835)
Unrealized gain (loss) on fair value of investments		(2,983)	9,067
Gain on extinguishment of accounts payable		44,955	-
Net loss for the period		(702,621)	(114,995)
Other comprehensive income			
Exchange differences on translating into presentation currency		5,623	-
Total comprehensive loss for the period		(696,998)	(114,995)
Loss per share, basic and diluted		(0.01)	(0.00)
Basic and diluted weighted average number of common shares outstanding		84,061,677	50,583,170

March 31, 2025:

Net loss attributable to:	Shareholders of parent	Non-controlling interest	Total
Net loss for the year	\$ (688,273)	\$ (14,348)	\$ (702,621)
Total comprehensive loss for the year	\$ (682,650)	\$ (14,348)	\$ (696,998)

March 31, 2024:

Net loss attributable to:	Shareholders of parent	Non-controlling interest	Total
Net loss for the year	\$ (114,995)	\$ -	\$ (114,995)
Total comprehensive loss for the year	\$ (114,995)	\$ -	\$ (114,995)

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

CULT Food Science Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Unaudited - Expressed in Canadian dollars

	Share Capital		Warrant Reserve	Share-based Payment Reserve	Other Comprehensive Income (Loss)	Deficit	Non-Controlling Interest	Total Shareholder's Equity
	Number of Shares*	Amount						
		\$	\$	\$		\$		\$
Balance, December 31, 2023	50,583,170	19,767,781	134,957	3,389,948	-	(19,305,196)	-	3,987,490
Share-based compensation	-	-	-	31,469	-	-	-	31,469
Net loss for the period	-	-	-	-	-	(114,995)	-	(114,995)
Balance, March 31, 2024	49,675,712	19,462,277	134,957	3,421,417	-	(19,420,191)	-	3,903,964
Balance, December 31, 2024	78,612,970	22,501,532	144,538	4,227,874	(680)	(24,424,421)	(53,795)	2,395,048
Debt settlements (Note 8)	3,570,984	124,984	-	-	-	-	-	124,984
Conversion of RSUs (Note 8)	8,833,330	416,667	-	(416,667)	-	-	-	-
Expiry of warrants (Note 8)	-	-	(134,957)	-	-	134,957	-	-
Share-based compensation	-	-	-	332,516	-	-	-	332,516
Exchange differences on translating to presentation currency	-	-	-	-	5,623	-	-	5,623
Net loss for the period	-	-	-	-	-	(688,273)	(14,348)	(702,621)
Balance, March 31, 2025	91,017,284	23,043,183	9,581	4,143,723	4,943	(24,977,737)	(68,143)	2,155,550

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

CULT Food Science Corp.Condensed Interim Consolidated Statements of Cash Flows
Unaudited - Expressed in Canadian Dollars

	Three months ended	
	March 31,	
	2025	2024
	\$	\$
Cash flows from operating activities		
Net loss for the period	(702,621)	(114,995)
Adjustments for:		
Depreciation	267	386
Unrealized (gain) loss on fair value of investments	2,983	(9,067)
Gain on extinguishment of accounts payable	(44,955)	-
Accretion and interest expense	37,485	835
Share-based compensation	332,516	31,469
Net change in non-cash working capital:		
Accounts receivable	(675)	-
Inventories	2,529	-
Prepaid expenses	27,387	23,978
Accounts payable and accrued liabilities	232,331	67,224
Total cash flows used in operating activities	(112,753)	(170)
Cash flows from financing activities		
Repayment of note payable	(12,689)	-
Total cash flows used in financing activities	(12,689)	-
Effect of unrealized foreign exchange on cash	(8,390)	-
Decrease in cash during the period	(133,832)	(170)
Cash at beginning of period	134,033	170
Cash at end of period	201	-
Other supplemental information		
Interest paid	11,096	-
Income taxes paid	-	-
Fair value of shares issued for debt	124,984	-

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

CULT Food Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

1. Corporate Information and Going Concern

CULT Food Science Corp. (the “Company”) was incorporated on November 16, 1983 under the British Columbia Companies Act and is an investment issuer focused on early-stage investments in cultivated meat and cultured dairy companies around the world. Effective July 28, 2021, the Company changed its name to Cult Food Science Corp.

The Company’s head office address is 409 – 22 Leader Lane, Toronto, Ontario, Canada M5E 0B2.

These condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business and that management neither intends to liquidate the entity nor does it have no realistic alternative to do so. The Company incurred a net loss of \$702,621 (March 31, 2024 - \$114,995) during the period ended March 31, 2025 and as of the date of the financial statements the Company’s accumulated deficit is \$24,977,737 (December 31, 2024 - \$24,424,421). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue its operations is dependent upon its ability to restructure its debt and raise financing. Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to continue to do so in the future and that such funds will be available on terms acceptable by the Company. Management’s plan is to actively secure sources of funds, including possible equity and debt financing options, to finance operating costs over the next twelve months. These condensed interim consolidated 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 condensed interim consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on May 29, 2025.

2. Basis of Presentation and Summary of Material Accounting Policies

The material accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below.

I) Basis of Preparation and Measurement

a) Statement of Compliance

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

These unaudited interim consolidated financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2024.

b) Basis of Measurement

These interim condensed financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in Note 2(II). In addition, these interim condensed financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency.

The preparation of interim condensed consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and exercise judgement in applying the Company’s policies.

II) Material Accounting Policies

In preparing these condensed interim consolidated financial statements, the material accounting policies and the significant judgments made by management in applying the Company’s material accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company’s audited financial statements for the year ended December 31, 2024.

CULT Food Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

2. Basis of Presentation and Summary of Material Accounting Policies (continued)

II) Material Accounting Policies (continued)

a) Basis of Consolidation

The Company has determined that effective December 19, 2024, it no longer meets the definition of an investment entity in accordance with IFRS 10, Consolidated Financial Statements (“IFRS 10”), and accordingly, these consolidated financial statements include the accounts of the Company and the accounts of the following companies which the Company has control:

Company	Country of Incorporation	Percentage Held 2025	2024	Principal Activity
Further Foods, Inc.	USA	90%	-	Sale of pet food products

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All inter-company transactions and balances have been eliminated.

Pursuant to IFRS 10, the Company applied IFRS 3, Business Combinations to Further Foods, Inc. on December 19, 2024. The deemed consideration transferred was \$Nil, being the fair value of the investment in Further Foods, Inc. on December 19, 2024. The details of net assets acquired and the resulting loss on consolidation are as follows:

Deemed consideration	\$ Nil
Cash	98,536
Inventories	12,124
Accounts payable and accrued liabilities	(73,697)
Note payable	(534,322)
Net liabilities acquired	(497,359)
Non-controlling interest	(49,736)
Loss on consolidation	(447,623)

3. Equipment

	Office Furniture and Equipment
Cost	\$
Balance, December 31, 2024 and March 31, 2025	39,231
Accumulated Amortization	
Balance, December 31, 2024	35,612
Depreciation	267
Balance, March 31, 2025	35,879
Carrying value	
As at December 31, 2024	3,619
As at March 31, 2025	3,352

4. Investments

iii) Simple Agreement for Future Equity (“SAFE”) Agreements

Pursuant to the terms of the SAFE Agreements, if there is an equity financing before the instrument expires or is terminated, the investee will automatically issue to the investors either: 1) the greater of: the number of Standard Preferred Shares equal to the Purchase Amount divided by the lowest price per share of the Standard Preferred Shares, or the number of Safe Preferred Shares equal to the Purchase Amount divided by the SAFE Price or 2) in case the agreement specifies a discount rate, a number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Conversion Price. The Conversion Price means either the SAFE Price or the Discount Price, whichever calculation results in a greater number of shares of Safe Preferred Stock. The SAFE Price means the price per share equal to the Valuation Cap or Post-Money Valuation Cap divided by the Company Capitalization. The Discount Price means the price per share of the Standard Preferred Stock sold in the equity financing multiplied by the Discount Rate.

CULT Food Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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4. Investments (continued)

If there is a liquidation event before the expiration or termination of the SAFE Agreement, the investor will automatically receive a portion of Proceeds, due and payable to the investor, equal to the greater of the Purchase Amount or the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the liquidity price. Thereafter the SAFE Agreement will terminate. In connection with a cash payment through a liquidity event, if there are not enough funds to pay the investors and holders of the SAFE Agreements in full, funds will be distributed pro-rata and based on the purchase price. In a dissolution event, SAFE Agreement holders will be paid out of remaining assets prior to holders of the investee's capital stock.

In accordance with IFRS 9, the Company initially recorded these SAFE investments at cost, which approximates fair value.

ii) A breakdown of the Company's investments as at March 31, 2025 and December 31, 2024 is as follows:

Investee Company	Type of Investment	Location	Cost \$	Fair Value	Fair Value	% Ownership
				31-Dec-24 \$	31-Mar-25 \$	
Opalia Inc. (formerly BetterMilk Inc.)	SAFE	QC, Canada	317,693	467,642	467,221	2.5%
Biftek Inc.	SAFE	Turkey	160,999	-	-	1%
De Novo Foods Inc.	SAFE	South Africa	63,390	71,945	71,880	<1%
Eat Just Inc.	Equity	CA, USA	347,200	-	-	<1%
Fiction Foods Inc.	SAFE	CA, USA	317,815	359,725	359,400	2.5%
Jellatech Inc.	Equity	NC, USA	95,138	287,780	287,520	<1%
MeliBio Inc.	SAFE	CA, USA	255,308	767,413	766,720	1.7%
WildBio Co. (formerly Mogale Meat Co.)	SAFE	South Africa	572,594	-	-	6.4%
Novel Farms Inc.	SAFE	CA, USA	190,896	215,835	215,640	<1%
Umami Bioworks Pte. Ltd.	Equity	Singapore	189,407	706,676	706,037	<1%
California Cultured Inc.	Equity	CA, USA	63,955	151,213	151,076	<1%
Change Foods Inc.	Equity	CA, USA	54,301	145,315	145,183	<1%
Change Foods Inc.	Convertible note	CA, USA	9,582	14,389	14,376	<1%
Unicorn Biotechnologies Limited	Convertible note	United Kingdom	63,929	113,913	113,810	<1%
Vevolution Education Limited	Equity	United Kingdom	46,042	-	-	1.4%
Compound Foods Inc.	SAFE	CA, USA	31,661	-	-	<1%
Cella Food Systems Inc.	Equity	ON, Canada	150,558	-	-	3%
Peqish Group Food & Hospitality Inc.	Equity	BC, Canada	163,328	-	-	2%
Alchemie Bio Inc.	SAFE	CA, USA	20,168	-	-	<1%
			4,275,510	3,301,846	3,298,863	

iii) Financial instrument hierarchy:

The fair value measurements use a fair value hierarchy that reflects the significant of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

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

CULT Food Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

4. Investments (continued)

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table presents the Company's financial instruments, measured at fair value and categorized into levels of the fair value hierarchy on the consolidated statements of financial position as at March 31, 2025 and December 31, 2024:

Investments at fair value	Level 1	Level 2	Level 3
	\$	\$	\$
March 31, 2025	-	-	3,298,863
December 31, 2024	-	-	3,301,846

There were no transfers between Levels 1, 2 or 3 during the periods ended March 31, 2025 and 2024.

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the period ended March 31, 2025 and the year ended December 31, 2024. These financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. Unrealized gains and losses on Level 3 investments are included in "Unrealized loss on fair value of investments" in the consolidated statements of loss and comprehensive loss.

	\$
Balance as at December 31, 2023	4,333,003
Additions – paid by cash	798,583
Unrealized loss, including foreign exchange	(1,829,740)
Balance as at December 31, 2024	3,301,846
Unrealized loss, including foreign exchange	(2,983)
Balance as at March 31, 2025	3,298,863

The following table presents a breakdown of Level 3 investments as at March 31, 2025 and December 31, 2024:

Description	Fair value at March 31, 2025	% of investments
	\$	
SAFE Agreements	1,880,860	57%
Equity – private	1,289,817	39%
Debentures	128,186	4%
	3,298,863	100%

Description	Fair value at December 31, 2024	% of investments
	\$	
SAFE Agreements	1,882,561	57%
Equity – private	1,290,983	39%
Debentures	128,302	4%
	3,301,846	100%

The Company uses various valuation techniques to determine the fair value of its Level 3 investments, including:

Instrument Type	Valuation Technique	Significant Inputs	Input Range / Assumptions
SAFE Agreements	Recent transaction pricing	Valuation cap, discount rate	Valuation cap: \$5M–\$120M, discount: 80%
Equity – Private	Recent transaction pricing	Price per share, valuation	Valuation: \$24M–\$120M
Debentures	Recent transaction pricing	Valuation cap, discount rate	Valuation cap: \$19M–\$120M, discount: 75%

CULT Food Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian dollars)

4. Investments (continued)

Within Level 3, the Company includes private company investments and other investment instruments such as loans to investees and convertible debentures which are not quoted on an exchange. All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below.

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the performance of comparable publicly-traded companies. The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in performance of comparable publicly-traded companies generally indicates that the fair value of the investment has not materially changed. The fair value of a privately-held investment may be adjusted if:

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

Given the use of unobservable inputs, Level 3 valuations are inherently uncertain. A 10% change in the estimated fair value (i.e. recent transaction price) of Level 3 investments would result in a change of approximately \$330,000 (December 31, 2024 - \$330,000) in the total fair value of the investments.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of the investments.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of this investment. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

Adjustments to the fair value of a privately-held investment are based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that could be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

5. Loan Payable

During the year ended December 31, 2023, the Company entered into a demand promissory note and received \$33,000 from a private company. The note is unsecured, bears interest at 10% per annum and is due on demand. The Company also agreed to pay a \$10,000 loan facilitation fee. For the period ended March 31, 2025, the Company recorded interest expense of \$Nil (2024 - \$835). On April 4, 2024, the Company entered into a debt settlement agreement pursuant to which the lender received 860,000 common shares at a deemed price of \$0.05 in settlement of the demand promissory note and loan facilitation fee. The Company recorded a gain on extinguishment of \$4,786.

CULT Food Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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6. Convertible Debenture

During the year ended December 31, 2024, the Company closed a non-brokered private placement of 375 convertible debenture units of the Company, raising gross proceeds of \$375,000 (the "Offering"). Each convertible debenture unit is comprised of \$1,000 principal amount of senior secured convertible debentures of the Company (the "Convertible Debentures") and 20,000 common share purchase warrants of the Company (the "Warrants").

The principal amount of each Convertible Debenture is convertible into common shares of the Company (the "Common Shares"), for no additional consideration, at the option of the holder at a conversion price of \$0.05 per Common Share (the "Conversion Price"). In the event the Company issues additional shares or other securities convertible into shares at a price lower than the Conversion Price, the Conversion Price will be adjusted down to that same price.

The Convertible Debentures bear interest at a rate of 12.0% per annum, paid monthly in cash on the last business day of each calendar month. Any accrued but unpaid interest is convertible into Common Shares at the option of the holder at the Conversion Price at any time. The Convertible Debentures mature on June 19, 2025. On the maturity date, all principal amount outstanding together with any unpaid interest on the Convertible Debentures will be repaid by the Company in cash. The Company has the right to prepay or redeem a part or the entire principal amount of the Convertible Debentures at par plus accrued and unpaid interest at any time by providing a minimum of 10 days of redemption notice prior to the redemption date.

Under the Offering, the Company issued an aggregate of 7,500,000 Warrants. Each Warrant entitles the holder to acquire one common share of the Company (a "Warrant Share") until December 19, 2026, at an exercise price of \$0.06 per Warrant Share. In the event the Company issues additional warrants having an exercise price lower than the Exercise Price, the Exercise Price will be adjusted down to that same exercise price.

All of the indebtedness, liabilities and obligations of the Company under the Convertible Debentures (collectively, the "Obligations") is secured by a general security agreement creating a security interest in all of the Company's present and after-acquired personal property, investments and an unlimited corporate guarantee from Further Foods, Inc. (the "Guarantor"), the Company's subsidiary, creating a security interest in all of the Guarantor's present and after-acquired personal property, ranking in first position, and pledges of shares of the Guarantor held by the Company. The Company may not issue any securities that rank senior or pari passu to the Convertible Debentures.

The Company paid a closing fee of \$15,000 plus HST and incurred legal fees of \$41,000 in connection with the Offering. On initial recognition, the Company bifurcated \$9,581 to warrant reserve and \$307,469 to the carrying value of the convertible debenture, which will be accreted to \$375,000 over the term of the convertible debenture. During the period ended March 31, 2025, the Company recognized accretion and interest expense of \$43,328 (2024 - \$Nil). The effective interest rate of the convertible debenture is 53.9%.

7. Note Payable

As at March 31, 2025, Further Foods, Inc. has an outstanding promissory note payable to an arm's length party with a principal balance of \$489,716 (USD\$340,648) (December 31, 2024 - \$497,613 (USD\$345,829)). The promissory note was issued on April 28, 2023, and bears interest at a fixed rate of 4.35% per annum. The note requires monthly repayments of principal of USD\$7,500 plus accrued interest and will be fully repaid once all scheduled principal and interest payments have been made. The promissory note is unsecured.

The promissory note is classified as a financial liability and is measured at amortized cost.

As at March 31, 2025, the current portion of the promissory note payable, representing principal repayments due within the next 12 months, is \$150,948 (USD\$105,000). The non-current portion is \$338,768 (USD\$235,648).

Future contractual principal repayments are as follows (in USD):

Year ending December 31	\$
2025	84,819
2026	90,000
2027	90,000
2028	75,829
Total	340,648

Interest expense recognized on the promissory note during the period ended March 31, 2025 was \$5,253 (USD\$3,660) (2024 - \$Nil (USD\$Nil)).

CULT Food Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian dollars)

8. Share Capital

Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value.

Issued share capital

As at March 31, 2025, the Company had 91,017,284 (December 31, 2024 – 78,612,970) shares outstanding.

During the period ended March 31, 2025, the Company issued 8,833,330 common shares upon conversion of 8,833,330 RSUs and the Company transferred \$416,667 from share-based payment reserve to share capital.

On March 19, 2025, the Company settled debt in an aggregate amount of \$26,346 by issuing an aggregate of 573,984 common shares at a price of \$0.0459 per common share.

On March 6, 2025, the Company settled debt in an aggregate amount of \$149,850 by issuing an aggregate of 2,997,000 common shares at a price of \$0.05 per common share.

During the year ended December 31, 2024, the Company issued 525,000 common shares upon exercise of warrants for total proceeds of \$91,000.

During the year ended December 31, 2024, the Company issued 1,610,000 common shares upon conversion of 1,610,000 RSUs and the Company transferred \$86,200 from share-based payment reserve to share capital.

On July 5, 2024, the Company issued 5,506,000 units at a price of \$0.25 per unit for gross proceeds of \$1,376,500 pursuant to a non-brokered private placement. Each unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share at a price of \$0.35 for a period of two years from the date of issuance. In connection with the private placement, the Company paid aggregate cash finder's fees of \$7,980 and issued 21,000 finder's warrants, each finder's warrant being exercisable into one unit at a price of \$0.35 for a period of two years from the date of issuance.

On July 5, 2024, the Company settled debt in an aggregate amount of \$316,397 by issuing an aggregate of 1,118,800 units at a price of \$0.31 per unit. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant is exercisable for one common share at a price of \$0.35 per share until July 5, 2026 pursuant to applicable securities laws.

On May 3, 2024, the Company issued 16,000,000 units at a price of \$0.05 per unit for gross proceeds of \$800,000 pursuant to a non-brokered private placement. Each unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share at a price of \$0.06 for a period of two years from the date of issuance. In connection with the private placement, the Company paid aggregate cash finder's fees of \$36,750 and issued 735,000 finder's warrants, each finder's warrant being exercisable into one unit at a price of \$0.05 for a period of two years from the date of issuance.

On April 4, 2024, the Company issued 3,270,000 common shares at a fair value of \$147,150 pursuant to debt settlement agreements.

Stock Options

The Company's Board of Directors, at its discretion may grant non-transferable options for the purchase of common shares to its directors, officers, employees, consultants, or service providers of the Company provided that the maximum number of options that may be reserved for issuance or issued is limited to 20% of the issued and outstanding securities under the plan adopted on March 12, 2021. The Company's stock option plan allows for options to be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

On January 29, 2025, the Company granted 500,000 stock options to a consultant of the Company, vesting 100% on the grant date, with an exercise price of \$0.05 and an expiry date of January 29, 2027. The fair value of the stock options was estimated to be \$18,638 for the full vesting period of the options, with a current period charge of \$18,638. The Black-Scholes option pricing model was used with the following assumptions: term – 2 years, expected volatility – 159%, risk free rate – 2.74% and expected dividends – \$Nil.

On October 23, 2024, the Company granted 800,000 stock options to consultants of the Company with an exercise price of \$0.05, expiring October 23, 2026. 300,000 of the options vest completely on issuance and 500,000 of the options vest in three equal tranches two months, four months, and six months after the date of the grant. The fair value of the stock options was estimated to be \$28,872 for the full vesting period of the options, with a current period charge of \$Nil. The Black-Scholes option pricing model was used with the following assumptions: term – 2 years, expected volatility – 151%, risk free rate – 3.02% and expected dividends – \$Nil.

CULT Food Science Corp.

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For the three months ended March 31, 2025 and 2024

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8. Share Capital (continued)

Stock Options

On June 3, 2024, the Company granted 250,000 stock options to a consultant of the Company, vesting 100% on the grant date with an exercise price of \$0.27 and an expiry date of June 3, 2026. The fair value of the stock options was estimated to be \$43,905 for the full vesting period of the options, with a current period charge of \$Nil. The Black-Scholes option pricing model was used with the following assumptions: term – 2 years, expected volatility – 137%, risk free rate – 4.02% and expected dividends – \$Nil.

On May 27, 2024, the Company granted 200,000 stock options to a consultant of the Company, vesting 100% on June 27, 2024 with an exercise price of \$0.22 and an expiry date of May 27, 2026. The fair value of the stock options was estimated to be \$27,325 for the full vesting period of the options, with a current period charge of \$Nil. The Black-Scholes option pricing model was used with the following assumptions: term – 2 years, expected volatility – 138%, risk free rate – 4.18% and expected dividends – \$Nil.

On May 21, 2024, the Company granted 500,000 stock options to a consultant of the Company, vesting 100% on the grant date with an exercise price of \$0.155 and an expiry date of May 21, 2026. The fair value of the stock options was estimated to be \$54,158 for the full vesting period of the options, with a current period charge of \$Nil. The Black-Scholes option pricing model was used with the following assumptions: term – 2 years, expected volatility – 142%, risk free rate – 4.09% and expected dividends – \$Nil.

On May 9, 2024, the Company granted 2,500,000 stock options to consultants of the Company, vesting 100% on the grant date with an exercise price of \$0.11. 500,000 of the stock options expire on May 9, 2026 and the remainder expire May 9, 2029. The fair value of the stock options was estimated to be \$281,898 for the full vesting period of the options, with a current period charge of \$Nil. The Black-Scholes option pricing model was used with the following assumptions: term – 2 to 5 years, expected volatility – 159%, risk free rate – 3.59% to 4.14% and expected dividends – \$Nil.

A summary of stock option activity for the periods ended March 31, 2025 and December 31, 2024 is as follows:

	Period ended March 31, 2025		Year ended December 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	3,737,500	\$0.24	3,362,500	\$0.40
Options granted	500,000	\$0.05	4,250,000	\$0.12
Options exercised	-	-	-	-
Options cancelled	-	-	(3,875,000)	(\$0.25)
Options outstanding, end of period	4,237,500	\$0.21	3,737,500	\$0.24
Options exercisable, end of period	4,237,500	\$0.21	3,737,500	\$0.24

At March 31, 2025, the weighted average remaining contractual life of the outstanding options is 2.65 years (December 31, 2024 – 3.00 years).

As at March 31, 2025, the Company had the following outstanding stock options outstanding:

Number of Stock Options Outstanding	Number of stock options exercisable	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
25,000	25,000	0.40	August 30, 2026	1.42
25,000	25,000	1.00	October 8, 2026	1.52
375,000	375,000	0.20	August 29, 2027	2.42
1,250,000	1,250,000	0.40	April 27, 2028	3.08
12,500	12,500	0.26	June 21, 2028	3.23
1,000,000	1,000,000	0.11	May 9, 2029	4.11
500,000	500,000	0.16	May 21, 2026	1.14
250,000	250,000	0.27	June 3, 2026	1.18
300,000	300,000	0.05	October 23, 2026	1.56
500,000	500,000	0.05	January 29, 2027	1.83
4,237,500	4,237,500	\$0.21		2.65

As at December 31, 2024, the Company had the following outstanding stock options outstanding:

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8. Share Capital (continued)**Stock options (continued)**

Number of Stock Options Outstanding	Number of stock options exercisable	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
25,000	25,000	0.40	August 30, 2026	1.66
25,000	25,000	1.00	October 8, 2026	1.77
375,000	375,000	0.20	August 29, 2027	2.66
1,250,000	1,250,000	0.40	April 27, 2028	3.32
12,500	12,500	0.26	June 21, 2028	3.47
1,000,000	1,000,000	0.11	May 9, 2029	4.36
500,000	500,000	0.16	May 21, 2026	1.39
250,000	250,000	0.27	June 3, 2026	1.42
300,000	300,000	0.05	October 23, 2026	1.81
3,737,500	3,737,500	\$0.24		3.00

Warrants

The Company has issued warrants entitling the holders to acquire common shares of the Company. The following table is a reconciliation of outstanding and exercisable warrants as at March 31, 2025 and December 31, 2024:

	Period ended March 31, 2025		Year ended December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning of period	56,528,725	\$0.23	26,928,925	\$0.41
Warrants issued	-	-	30,124,800	\$0.08
Warrants exercised	-	-	(525,000)	(\$0.17)
Warrants expired	(3,373,925)	(\$0.80)	-	-
Warrants outstanding, end of period	53,154,800	\$0.20	56,528,725	\$0.23

As at March 31, 2025, the weighted average remaining contractual life of the outstanding warrants is 1.33 years (December 31, 2024 – 1.49 years). The weighted average quoted market price for the warrants exercisable is \$0.20.

On October 3, 2024, the Company amended the exercise price of a total of 6,624,800 common share purchase warrants which were originally issued on July 5, 2024 and were previously exercisable at a price of \$0.35. The Company reduced the exercise price of the warrants to \$0.13 per share and in accordance with the policies of the Canadian Securities Exchange (“CSE”), the expiration of the warrants will be accelerated to thirty days if, for any ten consecutive trading days, the closing price of the common shares of the Company on the CSE exceeds \$0.17. All other terms of the warrants will remain unchanged.

As at March 31, 2025, the Company had the following outstanding warrants:

Number of Warrants Outstanding	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
975,000	0.20	May 29, 2026	1.16
3,725,000	0.20	August 3, 2026	1.34
18,430,000	0.40	August 23, 2026	1.40
15,900,000	0.06	May 3, 2026	1.09
6,624,800	0.13	July 5, 2026	1.26
7,500,000	0.06	December 19, 2026	1.72
56,528,725	\$0.20		1.33

As at December 31, 2024, the Company had the following outstanding warrants:

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8. Share Capital (continued)**Warrants (continued)**

Number of Warrants Outstanding	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
3,373,925	0.80	March 21, 2025	0.22
975,000	0.20	May 29, 2026	1.41
3,725,000	0.20	August 3, 2026	1.59
18,430,000	0.40	August 23, 2026	1.64
15,900,000	0.06	May 3, 2026	1.34
6,624,800	0.13	July 5, 2026	1.51
7,500,000	0.06	December 19, 2026	1.97
56,528,725	\$0.23		1.49

Finders' Warrants

On July 5, 2024, the Company issued 21,000 finders' warrants, exercisable into 21,000 common shares in the capital of the Company at a price of \$0.35 per finders' warrant, expiring on July 5, 2026 in connection with the completed private placement. The fair value of the finder's warrants was estimated to be \$4,817 using the Black-Scholes option pricing model with the following assumptions: term - 2 years; expected volatility - 161%; risk-free rate - 3.81%; and expected dividends - \$Nil.

On May 3, 2024, the Company issued 735,000 finders' warrants, exercisable into 735,000 units at a price of \$0.05 expiring on May 3, 2026 in connection with the completed private placement. Each unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share at a price of \$0.06 for a period of two years from the date of issuance. The fair value of the finder's warrants was estimated to be \$64,380 using the Black-Scholes option pricing model with the following assumptions: term - 2 years; expected volatility - 159%; risk-free rate - 4.11%; and expected dividends - \$Nil.

The following table is a reconciliation of outstanding finders' warrants as at March 31, 2025 and December 31, 2024:

	Period ended March 31, 2025		Year ended December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Finders' warrants outstanding, beginning of period	756,000	\$0.06	-	-
Finders' warrants issued	-	-	756,000	\$0.06
Finders' warrants outstanding, end of period	756,000	\$0.06	756,000	\$0.06

As at March 31, 2025, the Company had the following outstanding warrants:

Number of Warrants Outstanding	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
735,000	0.05	May 3, 2026	1.09
21,000	0.35	July 5, 2026	1.26
756,000	\$0.06		1.09

As at December 31, 2024, the Company had the following outstanding warrants:

Number of Warrants Outstanding	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
735,000	0.05	May 3, 2026	1.34
21,000	0.35	July 5, 2026	1.51
756,000	\$0.06		1.34

CULT Food Science Corp.

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8. Share Capital (continued)

Restricted Share Units

The Company adopted a Restricted Share Unit Plan in March 2021. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units ("RSU") as it determines appropriate. The aggregate number of shares that may be reserved for issuance, at any time, under this plan and under any other share compensation agreement adopted by the Company, including the Company's Stock Option Plan, shall not exceed up to a maximum of 20% of the issued and outstanding shares at the time of grant.

On February 25, 2025, the Company granted 1,500,000 restricted share units to officers of the Company and 3,500,000 restricted share units to consultants of the Company. The RSUs vest immediately and each RSU entitles the holder to acquire one common share of the Company for a period of two years from issuance. The RSUs had a fair value of \$225,000, based on the closing price of the Company's common shares on the date of grant. During the period ended March 31, 2025, the Company recognized \$225,000 as share based compensation.

On October 23, 2024, the Company granted 500,000 restricted share units to an officer of the Company and 5,250,000 restricted share units to consultants of the Company. The RSUs vest in three equal tranches two months, four months and six months after the grant date and each RSU entitles the consultant to acquire one common share of the Company for a period of two years from issuance. The RSUs had a fair value of \$287,500, based on the closing price of the Company's common shares on the date of grant. During the period ended March 31, 2025, the Company recognized \$88,878 as share based compensation.

On May 21, 2024, the Company granted 1,000,000 RSUs of the Company to a consultant of the Company. The RSUs vest in three equal tranches four month, eight months and twelve months after the grant date and each RSU entitles the consultant to acquire one common share of the Company for a period of two years from issuance. The RSUs had a fair value of \$155,000, based on the closing price of the Company's common shares on the date of grant. During the period ended March 31, 2025, the Company recognized \$Nil as share based compensation.

On April 8, 2024, the Company granted 1,360,000 RSUs of the Company to the Company's directors and officers. The RSUs vest immediately. Each RSU entitles the holder to acquire one common share of the Company for a period of five years from issuance. The RSUs had a fair value of \$61,200, based on the closing price of the Company's common shares on the date of grant. During the period ended March 31, 2025, the Company recognized \$Nil as share based compensation.

On November 1, 2023, the Company granted 250,000 RSUs to the Company's newly appointed CEO, Mitchell Scott. 50% of the RSUs vested immediately with the remaining 50% vesting on December 1, 2023. The RSUs entitle the CEO to acquire one common share in the capital of the Company for a period of five years from issuance. The RSUs had a fair value of \$25,000, based on the closing price of the Company's common shares on the date of grant.

On June 5, 2023, the Company has granted 250,000 RSUs to a consultant of the Company. The RSUs vested immediately. Each RSU entitle the eligible parties the ability to acquire one common share in the capital of the Company for a period of five years from issuance. The RSUs had a fair value of \$75,000, based on the closing price of the Company's common shares on the date of grant.

During the period ended March 31, 2025, the Company issued 8,833,330 (2024 – Nil) common shares upon conversion of 8,833,330 (2024 – Nil) RSUs and transferred \$416,667 (2024 - \$Nil) from share-based payment reserve to share capital.

9. Financial Instruments, Capital Management and Risk Management

I. Financial Instruments

The Company's financial instruments include cash, accounts receivable, investments, accounts payable and accrued liabilities, loan payable, convertible debenture and note payable.

Determination of Fair Value

The carrying value of cash, accounts receivable, investments, accounts payable and accrued liabilities, loan payable, convertible debenture and note payable approximate their fair value because of the short-term nature of these instruments. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

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9. Financial Instruments, Capital Management and Risk Management (continued)

I. Financial Instruments (continued)

	Fair Value Measurement Hierarchy	Financial assets at FVTPL	Financial liabilities at amortized cost
As at March 31, 2025:			
Cash	Not applicable	\$ 201	\$ -
Accounts receivable	Not applicable	-	14,829
Investments	Level 3	3,298,863	-
Accounts payable and accrued liabilities	Not applicable	-	363,913
Convertible debenture	Not applicable	-	343,443
Note payable	Not applicable	-	489,716
As at December 31, 2024:			
Cash	Not applicable	\$ 134,033	\$ -
Accounts receivable	Not applicable	-	14,154
Investments	Level 3	3,301,846	-
Accounts payable and accrued liabilities	Not applicable	-	315,072
Convertible debenture	Not applicable	-	311,211
Note payable	Not applicable	-	497,613

II. Capital Management

The Company's capital management objectives are to safeguard its ability to continue as a going concern and to seek new investment opportunities for the benefit of its shareholders. The Company includes shareholders' equity in the definition of capital.

The Company sets the amount of capital required in proportion to its operating requirements and perceived risk of loss. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company has historically relied on the equity markets to fund its activities and is open to new sources of financing to manage its expenditures in the interest of sustaining long-term viability. The Company's capital management objectives, policies and processes have not changed over the years presented.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

III. Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and loan receivable. The Company's credit exposure is limited to the carrying amount of its financial assets.

The Company's cash is held with a high-credit-rated financial institution and, as such, the Company does not believe there to be a significant credit risk in respect to cash.

b) Market Risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and a foreign currency will affect the Company's operations and financial results. The functional currency of the Company is the Canadian dollar.

CULT Food Science Corp.

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9. Financial Instruments, Capital Management and Risk Management (continued)

III. Risk Management (continued)

b) Market Risk (continued)

(i) Foreign currency risk (continued)

The Company holds investments in US dollar, as such, it is subject to fluctuations in the exchange rates for the Canadian dollar and US dollar. Based upon the Company's financial instruments at March 31, 2025, a 2% increase or decrease in the US dollar would result in an increase/decrease to profit or loss of approximately \$66,000.

The majority of the operations of the Company's 90% owned subsidiary, Further Foods Inc., are carried out in the United States of America. As at March 31, 2025, the Company had USD cash of USD\$47, inventories of USD\$6,675, accounts payable and accrued liabilities of USD\$55,163 and note payable of USD\$340,648. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the ultimate profitability of the Company. A 10% change in the exchange rate would change other comprehensive income by approximately \$56,000 (2024 - \$Nil).

The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to a financial liability with fluctuating interest rates. The Company considers the risk to be immaterial.

(iii) Commodity price risk

Commodity risk is the exposure to fluctuations in the market price of commodities. The Company does not have any commodity exposure.

(iv) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company holds investments in securities that will fluctuate in value as a result of fluctuations in estimated fair values of those securities. Furthermore, as the Company's investments are early stage cultivated meat and cultured dairy companies, market values will fluctuate subject to the price of meat and dairy prices, economic cycles and political events. See Note 4 for details.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. The key success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's policy is to ensure that it will have sufficient cash to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months	3 to 12 months	1 to 2 years	Over 2 years	Total
Accounts payable and other liabilities:	\$	\$	\$	\$	\$
March 31, 2025	792,823	97,038	129,384	209,384	1,228,629
December 31, 2024	347,447	472,126	129,501	238,611	1,187,685

10. Related Party Transactions

The Company considers its related parties to comprise directors, officers, companies controlled by directors and officers and companies with common directors. The key management compensation for the periods ended March 31, 2025 and 2024 is as follows:

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10. Related Party Transactions (continued)

	Period ended	
	March 31, 2025	March 31, 2024
	\$	\$
Consulting fees	65,658	28,200
Share-based compensation	75,229	-
	140,887	28,200

On December 10, 2024, the Company entered into a letter of intent with a company controlled by the CEO of the Company (the “Target Company”) whereby the Company will acquire 100% of the issued and outstanding shares of the Target Company in consideration for 40,000,000 common shares of the Company at a deemed price of \$0.05 per share. The Company will issue up to 10,000,000 additional common shares upon the Target Company meeting certain performance milestones. The Company will also complete a financing of at least \$1,500,000 and contribute at least \$600,000 as additional funding to the Target Company.

As at March 31, 2025, the balance due to related parties was \$91,200 (December 31, 2024 - \$27,150) which is included in accounts payable and accrued liabilities.

11. Contingency

During the year ended December 31, 2023, a claim was commenced against the Company by Cell AG Tech Inc. (“Cell AG”). The claim was brought against the Company seeking specific performance of a share purchase agreement Cell AG alleges it entered into with the Company, including seeking an order that the Company pay Cell AG the purchase price and additional consideration as defined in the share purchase agreement, as well as the consulting fees, professional fees and grant funding as contemplated in the share purchase agreement and letter of intent. The Company believes the claim is meritless and intends to defend itself. The matter was initially set for hearing on April 4, 2025 but it was adjourned and a new hearing date of February 17, 2026 was set.

12. Subsequent Events

On April 21, 2025, the Company settled debt in an aggregate amount of \$23,035 by issuing an aggregate of 650,706 common shares at a price of \$0.0354 per common share. The common shares issued are not subject to a hold period, pursuant to section 2.24 of National Instrument 45-105 – Prospectus Exemptions.

On April 23, 2025, the Company issued 1,916,670 common shares upon conversion of 1,916,670 RSUs.

On May 27, 2025, MeliBio Inc. announced its innovative Melody brand and its Generation 1 technology and related IP, were acquired by FoodYoung Labs in a strategic asset acquisition. MeliBio Inc. is expected to receive proceeds from the acquisition but as of the date of the condensed interim consolidated financial statements, it is uncertain whether any residual funds will be available for distribution to the MeliBio Inc. shareholders, including the Company, after MeliBio Inc. settles its outstanding liabilities. The Company continues to monitor developments and will assess the financial impact, if any, in future reporting periods once further information becomes available.