Interim Condensed Consolidated Financial Statements of

THS MAPLE HOLDINGS Ltd.

Three and nine months ended March 31, 2025 and February 29, 2024

THS MAPLE HOLDINGS Ltd.

Interim Condensed Consolidated Financial Statements

Three and nine months ended March 31, 2025 and February 29, 2024

Condensed Consolidated Financial Statements:

These interim condensed consolidated financial statements have not been reviewed by our external auditors.

THS Maple Holdings Ltd.
Condensed Consolidated Statements of Financial Position
(In Canadian dollars)
As at

	March 31, 2025	June 30, 2024
	$	**$**
ASSETS		
Current		
Cash	**27,591**	16,300
Trade and other receivables	**1,476,558**	1,632,610
Inventories	**4,468,455**	4,934,771
Prepaid expenses	**214,534**	171,826
	6,187,138	6,755,507
Non-current		
Property and equipment	**660,886**	646,075
Intangible assets	**208,707**	304,901
Right-of-use assets (Note 6)	**2,224,544**	964,620
	9,281,275	8,671,103
LIABILITIES		
Current		
Bank indebtedness (Note 4)	**2,382,177**	2,326,177
Bank demand loans (Note 5)	**938,874**	965,163
Loans from companies controlled by two directors (Note 5)	**-**	620,000
Trade and other payables	**1,698,107**	2,065,675
Deferred revenues	**361,400**	158,107
Current portion of balance of purchase price (Note 5)	**66,667**	96,667
Current portion of lease liabilities (Note 6)	**491,781**	282,668
	5,939,006	6,514,457
Non-current		
Lease liabilities (Note 6)	**1,941,264**	830,429
Loans from companies controlled by two directors (Note 5)	**2,320,000**	1,200,000
Non-current portion of balance of purchase price (Note 5)	**79,487**	128,205
	10,279,757	8,673,091
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 7)	**8,232,020**	8,232,020
Contributed surplus	**409,320**	400,000
Deficit	**(9,639,822)**	(8,634,008)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	**(998,482)**	(1,988)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY) AND LIABILITIES	**9,281,275**	8,671,103

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

THS Maple Holdings Ltd.
Condensed Consolidated Statements of Comprehensive Loss
(In Canadian dollars, except per share amounts)
Three and nine months ended March 31, 2025 and February 29, 2024

	Three months ended		Nine months ended	
	March 31, 2025	February 29, 2024	**March 31, 2025**	February 29, 2024
	$	$	**$**	$
Sales	**2,769,707**	1,809,618	**10,283,015**	7,800,188
Cost of sales	**2,235,705**	1,558,433	**8,001,285**	6,327,406
Gross profit	**534,002**	251,185	**2,281,730**	1,472,782
Operating expenses				
Selling expenses (Note 8)	**363,357**	224,957	**1,042,872**	766,514
Administrative expenses (Note 8)	**580,085**	459,506	**1,768,446**	1,569,873
	943,442	684,463	**2,811,318**	2,336,387
Operating loss	**(409,440)**	(433,278)	**(529,588)**	(863,605)
Loss on settlement of debt (Note 5)	**-**	-	**-**	911,314
Finance costs (Note 8)	**185,090**	221,146	**502,266**	829,197
Other expense (income)	**(6,863)**	(4,259)	**(26,176)**	(3,477)
	178,227	216,887	**476,090**	1,737,034
Loss before income taxes	**(587,667)**	(650,165)	**(1,005,678)**	(2,600,639)
Income tax expense	**-**	-	**136**	138,910
Net loss and comprehensive loss for the period	**(587,667)**	(650,165)	**(1,005,814)**	(2,739,549)
Net loss per share				
Basic and diluted	**(0.010)**	(0.025)	**(0.017)**	(0.110)

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

THS Maple Holdings Ltd.
Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(In Canadian dollars, except for share amounts)
Nine months ended March 31, 2025 and February 29, 2024

	Share capital				
	Number	**Amount**	**Contributed Surplus**	**Deficit**	**Shareholders' Equity (Deficiency)**
		$	$	$	$
Balance as at May 31, 2023	11,500,000	653,202	260,000	(3,545,277)	(2,632,075)
Net loss and comprehensive loss	-	-	-	(2,739,549)	(2,739,549)
Conversion of convertible debentures into equity (Note 7)	-	1,249,479	-	-	1,249,479
Exercise of broker warrants (Note 7)	200,000	-	-	-	-
Balance as at February 29, 2024	11,700,000	1,902,681	260,000	(6,284,826)	(4,122,145)
Balance as at June 30, 2024	60,339,100	8,232,020	400,000	(8,634,008)	(1,988)
Issuance of stock options (Note 7)	-	-	9,320	-	9,320
Net loss and comprehensive loss	-	-	-	(1,005,814)	(1,005,814)
Balance as at March 31, 2025	**60,339,100**	**8,232,020**	**409,320**	**(9,639,822)**	**(998,482)**

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

THS Maple Holdings Ltd.
Condensed Consolidated Statements of Cash Flows
(In Canadian dollars)
Nine months ended March 31, 2025 and February 29, 2024

	March 31, 2025	February 29, 2024
	$	$
OPERATING ACTIVITIES		
Net loss	**(1,005,814)**	(2,739,549)
Non-cash items		
Accrual of interest on convertible debentures	**-**	10,069
Depreciation of property and equipment	**92,154**	88,229
Depreciation of intangible assets	**96,194**	8,138
Depreciation of right-of-use assets	**192,618**	125,147
Write-off of property and equipment	**-**	53,420
Share-based compensation (Note 7)	**9,320**	-
Changes in non-cash working capital items		
Trade and other receivables	**156,052**	762,234
Inventories	**466,316**	(1,177,121)
Prepaid expenses	**(42,711)**	89,957
Trade and other payables	**(366,859)**	576,680
Deferred revenues	**203,293**	(5,828)
	416,091	245,922
Cash flows from operating activities	**(199,437)**	(2,208,624)
INVESTING ACTIVITIES		
Purchase of property and equipment	**(106,961)**	(19,279)
Proceeds from disposition of property and equipment	**-**	7,500
Restricted cash	**-**	120,000
Cash flows from investing activities	**(106,961)**	108,221
FINANCING ACTIVITIES		
Net change in bank indebtedness	**56,000**	312,499
Bank demand loans (repayments)	**(26,289)**	56,398
Loans from companies controlled by two directors	**500,000**	1,525,000
Loan	**-**	250,000
Repayment of balance of purchase price	**(78,718)**	**-**
Repayment of lease liabilities	**(133,304)**	(86,832)
Cash flows from financing activities	**317,689**	2,057,065
Net increase (decrease) in cash	**11,291**	(43,338)
Cash, beginning of period	**16,300**	54,762
Cash, end of period	**27,591**	11,424

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

1 – GOVERNING STATUTES AND NATURE OF OPERATIONS

THS Maple Holdings Ltd. ("THS") was incorporated on April 14, 2021 under the provisions of the Business Corporations Act (British Columbia) and was continued under the Business Corporations Act (Ontario) since the completion of the Qualifying Transaction. Prior to April 26, 2024, THS was listed on the TSX Venture Exchange (the "Exchange") as a capital pool company ("CPC") as defined in the provisions of Policy 2.4 of the Exchange.

On April 26, 2024, THS completed its qualifying transaction (the "Qualifying Transaction") pursuant to the rules and policies of the Exchange as such term is defined in Policy 2.4 of the Exchange.

THS and its subsidiaries' (collectively referred to as the "Company") principal business is to bottle, package, sell and distribute high quality maple syrup and maple flavored products to retail partners and direct to consumers in Canada and over 20 other countries. In its facility in Granby, Quebec, the Company purchases, stores and bottles maple syrup in over 100 different formats under its proprietary brands Turkey Hill, Echo Mountain, New England Maple Farms and Herman's 76. Working with its manufacturing partners, THS also sells products such as cookies, candies, chocolates and beverages, all with maple flavoring, under the same brands.

These unaudited interim condensed consolidated financial statements ("consolidated financial statements") are as at March 31, 2025 and June 30, 2024, and for the three and nine months ended March 31, 2025 and February 29, 2024. These consolidated financial statements include the assets, liabilities and operations of THS LP, the accounting acquirer, since its inception and at their carrying values, while the assets and operations of THS are consolidated since the date of the Qualifying Transaction. The legal share capital continues to be that of THS, the legal parent company. All of the comparative financial information prior to April 26, 2024, is that of THS LP.

The Company's common shares are listed on the Exchange under the symbol YAY and the Company's head office and principal place of business is in Granby, Quebec, Canada.

2 – BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Certain information and footnote disclosures normally included in annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards, as issued by IASB ("IFRS Accounting Standards"), have been omitted or condensed and, therefore, these consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements for the seven months ended June 30, 2024. The results from operations for the interim period do not necessarily reflect the result expected for the full fiscal year. The Company's sales have historically experienced some fluctuations from quarter to quarter and the Company expects to continue to experience seasonal variations in its sales in the foreseeable future. As a result, it is difficult to predict if any historical trends will be reproduced in the future.

The consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to present a fair statement of the results for these interim periods. These adjustments are of a normal recurring nature.

2 – BASIS OF PREPARATION (Continued)

The issuance of these consolidated financial statements was approved by the Board of Directors on May 27, 2025.

Change in fiscal year-end

The Company has transitioned to a new fiscal year-end from November 30 to June 30, effective December 1, 2023. As a result, fiscal 2025 has started on July 1, 2024 and will end on June 30, 2025. Selection of the comparative periods has been chosen in accordance with NI 51-102, section 4.8 in order to be as close as possible to the calendar months in the interim periods in the new financial year.

Basis of presentation

The unaudited condensed interim consolidated financial statements are prepared on a going concern basis under the historical cost convention.

Going concern

The consolidated net loss and comprehensive loss for the nine months ended March 31, 2025 was $1,005,814 (net loss and comprehensive loss of $2,739,549 for the nine months ended February 29, 2024). Additionally, the Company reported consolidated negative cash flows from operations (before changes in non-cash working capital) of $615,528 for the nine months ended March 31, 2025 (negative cash flows used in operations of $2,454,546 for the nine months ended February 29, 2024). As at March 31, 2025, the Company had a consolidated accumulated deficit of $9,639,822 (June 30, 2024 - $8,634,008) and a consolidated working capital of $248,132 (June 30, 2024 - $241,050). These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern.

The Company has undertaken a number of programs (US warehouse, planned second production shift at its Granby facilities and improved credit facilities – see Note 12) to enhance its sales and future cash flows, to meet its obligations and to fund its ongoing business operations.

The Company's ability to meet the covenant measurements under the terms of its credit agreement with its lender is still dependent upon continued improvement in profitable commercial operations, continued funding support from its lender and shareholders, and new equity and debt placements. However, there can be no assurance that management will be successful in this regard. These consolidated financial statements do not include any adjustments to the carrying value of assets or liabilities, to the recoverable amounts or the reported expenses and consolidated statement of financial position classifications that would be necessary if the going concern assumption were inappropriate, and these adjustments could be material.

Functional currency

These consolidated financial statements are presented in Canadian dollars, which is THS' functional currency as well as all of its subsidiaries.

3 – MATERIAL ACCOUNTING POLICIES

Overall considerations

The Company applied the same accounting policies in the preparation of these condensed interim consolidated financial statements as those disclosed in Note 3 of its most recent audited annual consolidated financial statements for the seven months ended June 30, 2024.

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The Company applied the same judgments, estimates and assumptions in the consolidated financial statements, including the key sources of estimation uncertainty, as those disclosed in Note 2, of its most recent audited annual consolidated financial statements for the seven months ended June 30, 2024.

New standards, amendments and interpretations not yet adopted by the Company

IFRS 18- Presentation and Disclosure in Financial Statements (“IFRS 18”)

In April 2024 the IASB issued IFRS 18 which will replace *IAS 1, Presentation of Financial Statements* and aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in *IAS 7 Statement of Cash Flows*. This new standard is effective for periods beginning on or after January 1, 2027. The Company has not yet determined the impact to the consolidated financial statements from the adoption of this standard.

Other

At the date of authorization of these condensed consolidated financial statements, new standards, amendments and interpretations of existing standards have been published by the IASB, but are not yet applicable, and have not been early adopted by the Company.

Management of the Company anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company’s condensed consolidated financial statements.

4 – BANK INDEBTEDNESS

The bank indebtedness consists of a revolving line of credit, for a maximum authorized amount of $3,000,000, bears interest at the prime rate, had been renewed until March 2025 and was subsequently extended to October 31, 2025 (see Note 12).

The Company is required to respect on an annual basis certain financial covenants with respect to its bank indebtedness and bank demand loans (credit facilities). Such financial covenants were not respected as at June 30, 2024 and the Company received a tolerance letter in that respect. As per the tolerance letter, covenants will next be tested at the Company’s year-end date of June 30, 2025.

5 – BANK DEMAND LOANS, LOANS FROM COMPANIES CONTROLLED BY DIRECTORS AND BALANCE OF PURCHASE PRICE

	March 31, 2025	June 30, 2024
Bank demand loans	**$**	$
Bank overdraft facility for an authorized amount of $750,000, prime rate plus 1% (5.95%; 7.95% as at June 30, 2024), out of which an amount of $600,000 is guaranteed by the Export Development Canada ("EDC") maturing in October 2025.	**753,656**	754,933
Bank demand loan, 4%, guaranteed by EDC, payable in monthly capital instalments of $2,315, maturing in June 2031.	**173,611**	194,444
Bank demand loan, prime rate (4.95%; 6.95% as at June 30, 2024), payable in monthly capital instalments of $464, maturing in April 2027.	**11,607**	15,786
	938,874	965,163

	March 31, 2025	June 30, 2024
Loans from companies controlled by directors	**$**	$
Loans from companies controlled by two directors, 8% interest per year (10% as at June 30, 2024), repayable before January 2, 2027, repayable at any time (payable on demand, as at June 30, 2024) (Note 12).	**2,320,000**	620,000
Loan from company controlled by one director, 10% interest per year, repayable before November 30, 2025, repayable at any time.	**-**	1,200,000
	2,320,000	1,820,000
Current portion	**-**	620,000
Long-term portion	**2,320,000**	1,200,000

	March 31, 2025	June 30, 2024
Balance of purchase price	**$**	$
Balance of purchase from transfer agreement, non-interest bearing, with $30,000 payable on or before August 1, 2024 and the balance payable in bi-weekly equal instalments of $2,564 starting June 1 2024, for a period of 36 months.	**146,154**	224,872
Current portion	**66,667**	96,667
Long-term portion	**79,487**	128,205

5 – BANK DEMAND LOANS, LOANS FROM COMPANIES CONTROLLED BY DIRECTORS AND BALANCE OF PURCHASE PRICE (Continued)

On October 20, 2023, THS LP settled the Class B units outstanding of $2,750,000 for an amount of $3,661,314, resulting in a loss on settlement of $911,314. The settlement amount was determined by using a multiple over historical interest payment. The settlement was financed through a short-term promissory note of $3,725,000 from a company under significant influence of the unitholders (Oakwest), bearing interest at 12% per year and repayable at the earlier of January 2024 or the completion of a business combination and was repaid on April 29, 2024.

6 – RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company leases real estate for office, production and warehouse space located in Granby and Vermont.

	Carrying value
Cost	**$**
Balance as at November 30, 2023	1,355,648
Additions	35,431
Balance as at June 30, 2024	1,391,079
Additions and upfront lease payments	1,452,542
Balance as at March 31, 2025	**2,843,621**
Accumulated depreciation	$
Balance as at November 30, 2023	326,662
Depreciation	99,797
Balance as at June 30, 2024	426,459
Depreciation	192,618
Balance as at March 31, 2025	**619,077**
Carrying amounts	
As at June 30, 2024	964,620
As at March 31, 2025	**2,224,544**
Lease liability	
Balance as at November 30, 2023	1,152,340
Additions	35,431
Lease interest	88,843
Lease payments	(163,517)
Balance as at June 30, 2024	1,113,097
Current portion	282,668
Non-current portion	830,429
Additions	1,441,764
Lease interest	193,960
Lease payments	(315,776)
Balance as at March 31, 2025	**2,433,045**

6 – RIGHT-OF-USE ASSET AND LEASE LIABILITY (Continued)

Current portion	491,781
Non-current portion	1,941,264

On October 1, 2024 and December 1, 2024, the Company entered into agreements to respectively lease additional space at its Granby facility and new warehouse space in Vermont.

7 – SHARE CAPITAL

(a) Common shares

Authorized:

The authorized capital of the Company consists of an unlimited number of common shares. The Company has 60,339,100 issued and outstanding common shares.

In June 2023, 200,000 common shares were issued following the exercise of broker warrants.

In 2023, convertible debentures amounting to $1,200,000 were issued and subsequently converted into equity along with accrued interest for a total of $1,249,479.

(b) Stock options

The following table reflects the continuity of stock options for the years presented:

	Number of stock options	Weighted Average Exercise Price ($)
Balance as at May 31, 2023	1,783,548	0.21
Granted (i)	-	-
Exercised	-	-
Expired	-	-
Balance as at February 28, 204	1,783,548	0.21
Balance as at June 30, 2024	1,783,548	0.21
Granted	337,000	0.15
Exercised	-	-
Expired	-	-
Balance as at March 31, 2025	**2,120,548**	**0.17**

7 – SHARE CAPITAL (continued)

(b) Stock options (continued)

On January 22 and March 5, 2025, the Company granted 337,000 stock options to officers and employees of the Company. The stock options may be exercised for a period of five years at a price of $0.15 per share. These stock options vest as follows: 84,250 stock options immediately, 84,250 after one year, 84,250 after two years and 84,250 after three years. The fair value of the options was $9,320 recorded using the Black-Scholes model with a share price of $0.14, exercise price of $0.15, volatility of 120% and a risk-free rate of 3.30%.

The following table reflects the actual stock options issued and outstanding as of March 31, 2025:

Expiry Date	***Exercise Price ($)***	***Weighted Average Remaining Contractual Life (years)***	***Number of Options Outstanding***	***Number of Options Vested (exercisable)***	***Number of Unvested Options***
May 17, 2026	0.10	1.13	950,000	950,000	-
January 15, 2028	0.35	2.79	646,718	646,718	-
December 1, 2029	0.35	4.67	114,972	114,972	-
January 21, 2030	0.15	4.81	327,000	81,750	245,250
March 5, 2030	0.15	4.93	10,000	2,500	7,500
April 1, 2032	0.12	7.01	57,486	57,486	-
May 15, 2032	0.12	7.13	14,372	14,372	-
	0.20	2.62	2,120,548	1,867,798	252,750

8 – ADDITIONAL INFORMATION ON COMPREHENSIVE LOSS

The following summarizes selling, administrative expenses and finance costs:

	Three months ended		**Nine months ended**	
	March 31, 2025	February 29, 2024	**March 31, 2025**	February 29, 2024
	$	$	**$**	$
Selling expenses				
Shipping expenses	**165,787**	91,441	**518,325**	368,926
Commissions and consulting fees	**51,230**	43,990	**232,327**	200,108
Advertising and sales promotions	**73,149**	38,760	**119,530**	63,388
Travelling and meals	**69,045**	46,066	**159,164**	121,553
Other selling expenses	**4,146**	4,700	**13,526**	12,539
	363,357	224,957	**1,042,872**	766,514

8 – ADDITIONAL INFORMATION ON COMPREHENSIVE LOSS (Continued)

	Three months ended		Nine months ended	
	March 31, 2025	February 29, 2024	**March 31, 2025**	February 29, 2024
	$	$	**$**	$
Administrative expenses				
Salaries and benefits	**297,865**	211,971	**901,498**	693,293
Professional fees	**97,839**	147,044	**360,988**	464,316
Supplies and office expenses	**16,926**	13,486	**57,860**	47,282
Bank and credit payment charges	**12,598**	20,922	**59,037**	64,066
Regulatory and certification	**24,058**	11,396	**41,189**	35,842
Depreciation – right-of-use assets	**78,882**	41,715	**192,618**	207,681
Insurance	**26,057**	9,664	**47,817**	27,804
Other administrative expenses	**25,860**	3,308	**107,439**	29,589
	580,085	459,506	**1,768,446**	1,569,873
Finance costs				
Interest on promissory note and loans from companies controlled by directors	**51,633**	138,217	**148,687**	223,035
Interest on bank loans	**49,963**	44,885	**159,619**	135,029
Interest on lease liabilities	**83,494**	38,044	**193,960**	214,335
Class B unit costs	**-**	-	**-**	181,798
Financing commission	**-**	-	**-**	75,000
	185,090	221,146	**502,266**	829,197

9 – FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that the Company will incur a financial loss if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. It arises primarily from the Company's trade accounts receivables.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the financial assets that are not impaired or past due for each of the reporting dates presented are of good credit quality. The Company has never experienced any significant credit losses. Consequently, credit risk is not considered material.

Liquidity risk

The Company's liquidity risk represents the risk that the Company could encounter difficulty in meeting obligations associated with its financial liabilities. The Company is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the balance sheet.

The Company manages liquidity risk by monitoring forecasted and actual cash flows, minimizing reliance on any single source of credit, and maintaining committed credit facilities.

9 – FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (continued)

The following table presents the contractual maturities of the Company's financial liabilities:

			March 31, 2025
	Due within 1 year	Due 1 to 5 years	Total
Financial liabilities	$	$	$
Bank indebtedness	2,382,177	-	2,382,177
Bank demand loans	938,874	-	938,874
Loans from companies controlled by directors	-	2,320,000	2,320,000
Interest on financial liabilities	463,670	154,830	618,500
Trade and other payables (1)	1,566,497	-	1,566,497
Balance of purchase price	66,667	79,487	146,154
	5,417,885	**2,554,317**	**7,972,202**

(1) Excluding salaries and employee benefits

			June 30, 2024
	Due within 1 year	Due 1 to 5 years	Total
Financial liabilities	$	$	$
Bank indebtedness	2,326,177	-	2,326,177
Bank demand loans	965,163	-	965,163
Promissory note and loans from companies controlled by directors	620,000	1,200,000	1,820,000
Interest on financial liabilities	367,086	50,000	417,086
Trade and other payables	2,015,884	-	2,015,884
Balance of purchase price	96,667	128,205	224,872
	6,390,977	**1,378,205**	**7,769,182**

Market risks

Foreign currency risk

The majority of the Company's transactions are in Canadian dollars. Currency risk results from the Company's sales and purchases denominated in foreign currency which are primarily in U.S. dollars. As at March 31, 2025, the Company is exposed to currency risk due to cash, trade accounts receivable denominated in U.S. dollars totaling CAD 433,581 (CAD 272,205 as at June 30, 2024).

9 – FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The Company is exposed to interest rate risk with respect to financial liabilities bearing fixed and variable interest rates.

One of the bank demand loans and the notes payable to the shareholder bear interest at a fixed rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

The bank indebtedness and other bank demand loans bear interest at a variable rate and the Company is, therefore, exposed to the cash flow risk resulting from interest rate fluctuations.

Management has determined that the sensitivity on possible changes in interest rates is minimal for the nine months ended March 31, 2025 and year ended June 30, 2024.

Other Price Risk

The Company is exposed to increases in the prices of commodities in operating its distribution networks, as well as to the indirect effect of changing commodity prices on the price of its products. Rising commodity prices could adversely affect the financial performance of the Company.

Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

Cash, trade and other receivables (except indirect taxes receivable), bank indebtedness, bank demand loans and trade and other payables are measured based on level 1 and their carrying values are considered to be a reasonable approximation of their fair value because of their short-term maturity. The loans from companies controlled by directors and the balance of purchase price are measured based on Level 2 and their carrying values are considered to be a reasonable approximation of their fair value because there were no significant changes during the period in the assumptions used for the fair value determined at inception.

The Company has no non-financial assets measured at fair value.

10 – REVENUES

The following is a summary of the Company's total revenues by geography:

	Three months ended		Nine months ended	
	March 31, 2025	February 29, 2024	**March 31, 2025**	February 29, 2024
	$	$	**$**	$
Canada	**1,998,143**	964,897	**8,361,692**	6,350,687
Asia	**123,035**	107,353	**225,020**	169,089
France	**4,360**	-	**13,971**	6,580
Italy	**18,705**	18,354	**18,705**	18,354
Germany	**51,216**	-	**51,216**	-
Malta	**7,540**	-	**15,080**	7,207
Netherlands	**2,978**	-	**10,196**	9,979
Saudi Arabia	**21,537**	22,611	**36,340**	30,013
Switzerland	**59,927**	111,068	**129,028**	255,722
United Arab Emirates	**-**	2,862	**10,152**	2,862
United Kingdom	**8,019**	9,673	**47,471**	34,742
United States of America	**474,247**	572,800	**1,364,144**	914,953
	2,769,707	1,809,618	**10,283,015**	7,800,188

11 – NET LOSS PER SHARE

	Three months ended		Nine months ended	
	March 31, 2025	February 29, 2024	**March 31, 2025**	February 29, 2024
	$	$	**$**	$
Net loss	**(587,667)**	(650,165)	**(1,005,814)**	(2,739,549)
Basic weighted average number of common shares outstanding	**60,339,100**	25,675,100	**60,339,100**	24,931,598
Effect of stock options	**-**	-	**-**	-
Diluted weighted average number of common shares outstanding	**60,339,100**	25,675,100	**60,339,100**	24,931,598
Basic loss per share	**(0.010)**	(0.025)	**(0.017)**	(0.110)
Diluted loss per share	**(0.010)**	(0.025)	**(0.017)**	(0.110)

The effect of outstanding options has not been included in the calculation of diluted loss per share as at March 31, 2025 and February 29, 2024 as the outstanding options would be anti-dilutive.

12 – SUBSEQUENT EVENT

On April 27, 2025, the Company's bank issued an Amendment to the Credit Agreement (the "Amendment") increasing the revolving line of credit (the "Facility") from $3M to $5M while keeping the credit line's rate at Prime. The Facility is guaranteed by Export Development Canada (EDC). This Amendment also includes a Standby letters of credit facility of up to $750,000 also guaranteed by EDC. A condition precedent to the activation of these facilities is the concurrent full repayment of the bank overdraft facility ($750,000) out of which $600,000 is guaranteed by EDC maturing in October 2025.