

Pharmagreen Biotech Inc.

112 North Curry Street
Carson City, Nevada 89703

(702) 803 - 9404
www.pharmagreen.ca
info@pharmagreen.ca

Quarterly Report

For the period ending December 31, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

663,645,739 as of February 11, 2025_ *(Current Reporting Period Date or More Recent Date)*

663,645,739 as of September 30, 2024 *(Most Recent Completed Fiscal Year End)*

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: ☐ No: ☒

⁴ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Pharmagreen Biotech Inc.	Name change as of May 8, 2018;
Air Transport Group Holdings Inc.	Articles of Merger, name change as of October 30, 2008;
Air Transport Group Holdings Inc.	Incorporated on October 16, 2008;
Azure International Inc.	Incorporated on November 26, 2007

Current State and Date of Incorporation or Registration: Incorporated on November 26, 2007 in the State of Nevada
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

2987 Blackbear Court, Coquitlam, British Columbia, Canada V3E 3A2

Address of the issuer's principal place of business:

☐ Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: TRANSHARE CORPORATION
Phone: 303-662-1117
Email: _info@transhare.com
Address: 17755 US Highway 19 N, Suite 140, Clearwater, FL 33764

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	PHBI
Exact title and class of securities outstanding:	COMMON, VOTING
CUSIP:	71716C109
Par or stated value:	\$0.001
Total shares authorized:	2,000,000,000 as of date: December 31, 2024
Total shares outstanding:	663,645,739 as of date: December 31, 2024
Total number of shareholders of record:	218 as of date: December 31, 2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	PREFERRED, VOTING
Par or stated value:	\$0.001
Total shares authorized:	1,000,000 as of date: December 31, 2024
Total shares outstanding:	10,000 as of date: December 31, 2024
Total number of shareholders of record:	1 as of date: December 31, 2024

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

NONE

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Subject to special voting rights or restrictions attached to a class of shares, each shareholder shall be entitled to one vote for each share of stock issued in his or her own name or the books of the corporation whether represented in person or by proxy. Dividends may be declared and paid out of any funds available at the discretion of the Board of Directors.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

On October 14, 2020 the Company designated 10,000 preferred shares as Series A Super Voting Preferred Stock. A Super Voting Preferred Stock has the following rights and restrictions:

Dividends – Initially, there will be no dividends due or payable on a Series A Super Voting Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Corporation's Certificate of Incorporation. Any and all future terms concerning dividends shall be reflected in an amendment to this Certificate, which the Board shall promptly file or cause to be filed.

Liquidation and Redemption Rights – Upon the occurrence of a Liquidation Event, the holders of Series A Super Voting Preferred Stock are entitled to receive net assets on a pro-rata basis. Each holder of Series A Super Voting Preferred Stock is entitled to receive ratably any dividends declared by the Board, if any, out funds legally available for the payment of dividends.

Rank – All shares of the Series A Super Voting Preferred shall rank (i) senior to the Corporation's Common Stock, par value \$0.001 per share ("Common Stock"), and any other class or series of capital stock of the Corporation hereafter created, except as otherwise provided in clauses (ii) and (iii) of this Section 4, (ii) pari passu with any class or series of capital stock of the Corporation hereafter created and specifically ranking by its terms, on par with the Series A Super Voting Preferred Stock and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking, by its terms, senior to the Series A Preferred Stock, in each case as to distribution of assets upon liquidation, dissolution or winding up of the Corporation whether voluntary or involuntary.

Voting Rights – If at least one share of Series A Super Voting Preferred stock is issued and outstanding then the total aggregate issued shares of Series A Super Voting Preferred Stock at any given time, regardless of their number, shall have voting rights equal to twenty (20) times the sum of i) the total number of shares of Common Stock which are issued and outstanding at the time of voting plus ii) the total number of shares of all Series of Preferred stocks which are issued and outstanding at the time of voting.

With respect to all matters upon which stockholders are entitled to vote or to which stockholders are entitled to give consent, the holders of the outstanding shares of Series A Super Voting Preferred stock shall vote together with the holders of Common Stock without regard to class, except as those matters on which separate class voting is required by applicable law or the Certificate of Incorporation or By-Laws.

3. Describe any other material rights of common or preferred stockholders.

NONE

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

NONE

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding Opening Balance: Date <u>09/30/2022</u> Common: <u>442,260,969</u> Preferred: <u>10,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>Oct 03/22</u>	<u>New Issuance</u>	<u>2,500,000</u>	<u>Common</u>	<u>\$0.0110</u>	<u>No</u>	<u>Milestone Management Services, LLC (Johathan Olson)</u>	<u>Consulting Fee</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>Dec 14/22</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common</u>	<u>\$0.0050</u>	<u>No</u>	<u>TC Marketing & Consulting, LLC (Tyrell Crosby)</u>	<u>Consulting Fee</u>	<u>Unrestricted</u>	<u>Rule 144</u>

<u>May 25/23</u>	<u>New Issuance</u>	<u>2,700,000</u>	<u>Common</u>	<u>\$0.0023</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>Jun 18/23</u>	<u>New Issuance</u>	<u>6,500,000</u>	<u>Common</u>	<u>\$0.001150</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>July 06/23</u>	<u>New Issuance</u>	<u>9,000,000</u>	<u>Common</u>	<u>\$0.000863</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>July 13/23</u>	<u>New Issuance</u>	<u>13,500,000</u>	<u>Common</u>	<u>\$0.000575</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>July 25/23</u>	<u>New Issuance</u>	<u>15,000,000</u>	<u>Common</u>	<u>\$0.000575</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>Aug 31/23</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.000421</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>Sep 12/23</u>	<u>New Issuance</u>	<u>25,000,000</u>	<u>Common</u>	<u>\$0.000364</u>	<u>Yes</u>	<u>Janbell Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>Sep 28/23</u>	<u>New Issuance</u>	<u>27,000,000</u>	<u>Common</u>	<u>\$0.0002659</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>Oct 05/23</u>	<u>New Issuance</u>	<u>28,600,000</u>	<u>Common</u>	<u>\$0.000268</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>Oct 19/23</u>	<u>New Issuance</u>	<u>30,042,800</u>	<u>Common</u>	<u>\$0.000173</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>Oct 27/23</u>	<u>New Issuance</u>	<u>31,541,970</u>	<u>Common</u>	<u>\$0.0001725</u>	<u>Yes</u>	<u>JanBella Group, LLC (Bill Alessi)</u>	<u>Note payable conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>12/31/24</u> Common: <u>663,645,739</u>									
Preferred: 10,000									

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

☐ Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁵	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
Jan 22/20	78,750	164,523	Jan 22/21	The principle & interest will be converted into shares of common stock equal to 65% of lowest trading prices with a 20 day look back	NIL	180,795,000	LG Capital Funding LLC (Joseph Leman)	Loan
Jan 14/20	78,000	98,683	Feb 20/21	Conversion Rights & privileges waived by lender	1,939,700	Nil	Crown Bridge Partners LLC (Seth Ahdoot)	Loan
Jan 18/22	30,000	38,693	Jan 18/23	Conversion price to be at a price per common share equal to the closing price on the day of receipt of notice of conversion	NIL	22,761,000	Trevor Burns	Loan
Apr 04/18	32,485	27,068	Apr 04/28	Notes are convertible in whole or in part into common shares at any time at a price of \$0.0001 per share	54,170,000	270,680,000	B Walczykowski	Loan

Total Outstanding Balance: \$328,967

Total Shares: 56,109,700 474,236,000

Any additional material details, including footnotes to the table are below:

Potential shares based on stock market at close on February 11, 2025.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

Pharmagreen Biotech Inc. (the “Company”) was incorporated under the laws of the State of Nevada on November 26, 2007. The Company is headquartered in Coquitlam, British Columbia. The Company’s mission is to advance the technology of tissue culture science and to provide the highest quality 100% germ free, disease free and all genetically the same plantlets of high CBD hemp and other flora and offering full spectrum DNA testing for plant identification, live genetics preservation using low temperature storage for various cannabis and horticulture plants; extraction of botanical oils mainly CBD oil, and to deliver laboratory based services to the North American high CBD hemp, Cannabis and agriculture sectors.

In 2021, the Company had changed its business development from Canada to the United States, as it was determined that the opportunities in the hemp and cannabis industries were much greater in the United States, specifically California.

On July 25, 2021, the Company entered into a Memorandum of Understanding (“MOU”) to acquire all the assets and cannabis operations (includes 12 acres property, structure and cannabis licenses, and existing sales channels and distribution networks) from a private company situated in Northern California. Upon reaching a definitive agreement, the Company intended to further develop a state-of-the-art flowering greenhouses of approximately 12,000 square feet or the maximum allowed by California State and Regional County. The Company also had an option from the seller to acquire an additional 120 acres or more of land for business expansion and development.

In 2022, the Cannabis market in California entered a regression stage with prices for the raw material dropping below production costs including greatly diminished demand for sun grown raw material. Because of the current state of the Cannabis market in California, the Company terminated the definitive MOU process during the first half of 2023. The project is no longer being pursued.

Focusing on immediate revenues, the Company has been and currently formulating its nutraceutical products from blends of therapeutic plants and fungi. Utilizing the Company’s expertise in plant genetics, Pharmagreen’s transgenic program uses the newest technology available to research and create nutraceuticals for daily supplements with the potential to help, support and improve human lives, and to address a wide variety of ailments.

B. List any subsidiaries, parent company, or affiliated companies.

WFS Pharmagreen inc., incorporated in the Province of British Columbia, Canada, is a wholly owned subsidiary of Pharmagreen Biotech Inc. Its purpose was to become a licensed grower under the Cannabis Act and Regulations in Canada and manage the Cannabis Biotech Complex operation at Deroche, B. C. These plans are no longer being pursued. The Company currently is inactive. The CEO and Director is Peter Wojcik, the CFO is Terry Kwan.

1155097 BC Ltd., incorporated in the Province of British Columbia, Canada is a 90% owned subsidiary of WFS Pharmagreen INC. The Company was set up to build and own the assets of the Cannabis Biotech Complex at Deroche, British Columbia. The project is no longer being pursued. The Company is currently inactive. Peter Wojcik is the CEO and a Director and Dennis Petke is a Director.

C. Describe the issuers’ principal products or services.

Pharmagreen Biotech Inc. is developing its line of nutraceutical products which is a proprietary blend of therapeutic plants and mushrooms. Pharmagreen’s first new product, MaxGenomic™ Supplement, is a proprietary blend, formulated in the U.S.A., of nine medicinal mushrooms and six medical plants to help support the human mind and body. This supplement is produced in a cGMP facility, in enteric capsules to enhance the bioavailability of the MaxGenomic™ supplement. This product is currently marketed and available through online stores such as Amazon and Shopify. Other nutraceutical products are in various development stages and will be made sold through the online stores as they become available.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company uses a third party GMP facility in the United States to manufacture its products and then the inventory is drop shipped to another U. S. third party for storage and sales distribution. The Company does not lease or own properties or any production facilities

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, 5% Control person)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
Peter Wojcik	CEO, President, Sole Director	Coquitlam, BC Canada	35,077,500	Common	5.286%
Peter Wojcik	CEO, President, Sole Director	Coquitlam, BC Canada	10,000	Preferred	100%
Terry Kwan	CFO of WFS Pharmagreen Inc, a wholly owned subsidiary	Surrey, BC Canada	5,000,000	Common	0.753%

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NO/NONE

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

NO/NONE

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NO/NONE

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NO/NONE

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NO/NONE

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NO/NONE

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: NEWLAN & NEWLAN
Address 1: Suite 107 – 762, 2201 Long Prairie Road
Address 2: Flower Mound, TX 75002
Phone: 940-367-6154
Email: eric@newland.caom

Accountant or Auditor

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): @pharmagreeninc
Discord: _____
LinkedIn: _____
Facebook: pharmagreen biotech inc
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Ron McIntyre
Firm: _____
Nature of Services: Consultant on Regulatory Filings
Address 1: 1535 Theta Court
Address 2: North Vancouver, BC, Canada
Phone: 604-726-0640
Email: rsm1636@telus.net

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Peter Wojcik & Terry Kwan
Title: CEO, President/ no title
Relationship to Issuer: Officer of PHBI / CFO of WFS Pharmagreen Inc., a wholly owned subsidiary

B. The following financial statements were prepared in accordance with:

☐ IFRSP
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Terry Kwan
Title: NONE
Relationship to Issuer: CFO of WFS Pharmagreen Inc., a wholly owned subsidiary
Describe the qualifications of the person or persons who prepared the financial statements:⁶ CPA-CA Designation

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, *Peter Wojcik* certify that:

1. I have reviewed this Disclosure Statement for Pharmagreen Biotech Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Feb 11, 2025 [Date]

/s/Peter Wojcik [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Accounting Officer:

I, *Terry Kwan* certify that:

1. I have reviewed this Disclosure Statement for Pharmagreen Biotech Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Feb 11, 2025 [Date]

/s/Terry Kwan [Principal Accountant's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

PHARMAGREEN BIOTECH INC.

Condensed Consolidated Financial Statements

For the Three Months Ended December 31, 2024

(Expressed in U.S. Dollars)

(Unaudited)

The accompanying unaudited condensed consolidated financial statements have been prepared by Management of Pharmagreen Biotech Inc. and have not been reviewed by the Company's auditors.

PHARMAGREEN BIOTECH INC.
Condensed Consolidated Balance Sheets
(Expressed in U.S. dollars)
(Unaudited)

	December 31, 2024 \$	September 30, 2024 \$
Assets		
Current assets		
Cash	906	276
Amounts receivable	567	585
Inventory (Note 3)	7,839	7,970
Promissory note receivable (Note 4)	88,850	—
Total current assets	98,162	8,831
Promissory note receivable (Note 4)	—	88,850
Total assets	98,162	97,681
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 9)	989,854	991,290
Advances from Alliance Growers Corp. (Note 12(a))	52,265	55,519
Loans payable (Note 6)	128,266	129,711
Convertible notes (Note 7)	135,818	135,818
Derivative liabilities (Notes 7 and 8)	170,230	894,892
Due to related parties (Note 9)	931,005	933,970
Total current liabilities	2,407,438	3,141,200
Loans payable to related parties (Note 9)	88,327	90,714
Total liabilities	2,495,765	3,231,914
Stockholders' deficit		
Preferred stock		
Authorized: 1,000,000 shares, \$0.001 par value; 10,000 shares issued and outstanding (Note 11)	10	10
Common stock		
Authorized: 2,000,000,000 shares, \$0.001 par value; 663,645,739 shares issued and outstanding, respectively (Note 10)	663,646	663,646
Additional paid-in capital (Note 10)	10,320,403	10,320,403
Accumulated other comprehensive income	179,862	76,521
Accumulated deficit	(13,514,780)	(14,148,069)
Total Pharmagreen Biotech Inc. stockholders' deficit	(2,350,859)	(3,087,489)
Non-controlling interest	(46,744)	(46,744)
Total stockholders' deficit	(2,397,603)	(3,134,233)
Total liabilities and stockholders' deficit	98,162	97,681

(The accompanying notes are an integral part of these unaudited condensed consolidated financial statements)

PHARMAGREEN BIOTECH INC.

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(Expressed in U.S. dollars)

(Unaudited)

	Three months ended December 31, 2024 \$	Three months ended December 31, 2023 \$
Revenues	828	1,236
Cost of sales	(459)	(479)
Gross profit	369	757
Expenses		
Advertising and promotion	183	4,537
Consulting fees (Note 9)	42,916	53,638
Foreign exchange loss (gain)	21,624	(6,510)
General and administrative	15,613	12,955
Professional fees	3,096	4,250
Salaries and wages	—	611
Total expenses	83,432	69,481
Net loss before other income (expenses)	(83,063)	(68,724)
Other income (expense)		
Forgiveness of convertible debt	—	239
Gain (loss) on change in fair value of derivative liabilities (Note 8)	724,662	(69,917)
Gain on settlement of convertible note	—	2,045
Interest and finance costs (Notes 6 and 7)	(8,310)	(8,496)
Total other income (expense)	716,352	(76,129)
Net income (loss)	633,289	(144,853)
Less: net loss attributable to non-controlling interest	—	—
Net income (loss) attributable to Pharmagreen Biotech Inc.	633,289	(144,853)
Comprehensive income (loss)		
Foreign currency translation income (loss)	103,341	(31,735)
Comprehensive income (loss) attributable to Pharmagreen Biotech Inc.	736,630	(176,588)
Basic and diluted income (loss) per share attributable to Pharmagreen Biotech Inc. stockholders	0.00	(0.00)
Weighted average number of shares outstanding used in the calculation of net income (loss) per share attributable to Pharmagreen Biotech Inc.	663,645,739	646,630,017

(The accompanying notes are an integral part of these unaudited condensed consolidated financial statements)

PHARMAGREEN BIOTECH INC.

Condensed Consolidated Statements of Stockholders' Deficit

(Expressed in U.S. dollars)

(Unaudited)

	Preferred stock		Common stock		Additional paid-	Accumulated other	Accumulated	Non -controlling	Total stockholders'
	Number of	Amount	Number of	Amount	in capital	comprehensive	deficit	interest	deficit
	shares	\$	shares	\$	\$	income (loss)	\$	\$	\$
Balance, September 30, 2023	10,000	10	573,460,969	573,461	10,359,777	75,766	(13,143,670)	(46,709)	(2,181,365)
Issuance of common stock pursuant to the conversion of convertible notes	—	—	90,184,770	90,185	(39,374)	—	—	—	50,811
Foreign currency translation loss	—	—	—	—	—	(31,735)	—	—	(31,735)
Net loss for the period	—	—	—	—	—	—	(144,853)	—	(144,853)
Balance, December 31, 2023	10,000	10	663,645,739	663,646	10,320,403	44,031	(13,288,523)	(46,709)	(2,307,142)
Balance, September 30, 2024	10,000	10	663,645,739	663,646	10,320,403	76,521	(14,148,069)	(46,744)	(3,134,233)
Foreign currency translation gain	—	—	—	—	—	103,341	—	—	103,341
Net income for the period	—	—	—	—	—	—	633,289	—	633,289
Balance, December 31, 2024	10,000	10	663,645,739	663,646	10,320,403	179,862	(13,514,780)	(46,744)	(2,397,603)

(The accompanying notes are an integral part of these unaudited condensed consolidated financial statements)

PHARMAGREEN BIOTECH INC.

Condensed Consolidated Statements of Cash Flows

(Expressed in U.S. dollars)

(Unaudited)

	Three months ended December 31, 2024 \$	Three months ended December 31, 2023 \$
OPERATING ACTIVITIES		
Net income (loss)	633,289	(144,853)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Financing fees and default penalties	350	810
Gain on settlement of convertible note	—	(2,045)
Loss (gain) on change in fair value of derivative liabilities	(724,662)	69,917
Changes in non-cash operating assets and liabilities:		
Amounts receivable	18	11
Prepaid expenses and deposits	—	8,395
Inventory	131	223
Accounts payable and accrued liabilities	46,809	26,670
Due to related parties	37,187	38,889
Net cash used in operating activities	(6,878)	(1,983)
FINANCING ACTIVITIES		
Proceeds from related party advances	13,671	—
Net cash provided by financing activities	13,671	—
Effect of foreign exchange rate changes on cash	(6,163)	1,472
Change in cash	630	(511)
Cash, beginning of period	276	1,254
Cash, end of period	906	743
Non-cash investing and financing activities:		
Issuance of common stock pursuant to conversion of convertible notes and accrued interest	—	50,811
Supplemental disclosures:		
Interest paid	—	—
Income taxes paid	—	—

(The accompanying notes are an integral part of these unaudited condensed consolidated financial statements)

PHARMAGREEN BIOTECH INC.

Notes to the Condensed Consolidated Financial Statements

December 31, 2024

(Expressed in U.S. dollars)

(Unaudited)

1. Nature of Business and Continuance of Operations

Pharmagreen Biotech Inc. (“the Company”) was incorporated under the laws of the State of Nevada, U.S. on November 26, 2007, under the name Azure International, Inc. On October 30, 2008, and effective as of the same date, the Company filed Articles of Merger (“Articles”) with the Secretary of State of the State of Nevada, to effect a merger by and between Air Transport Group Holdings, Inc., a Nevada corporation and Azure International, Inc. As a result of the merger, the Company changed its name to Air Transport Group Holdings, Inc. The Company was previously in the business of providing technical advisory and appraisals to the aircraft and aviation business as well as providing sourcing for aircraft leases and parts. Pursuant to a Share Exchange Agreement with WFS Pharmagreen Inc. (“WFS”) on May 2, 2018, the Company changed its name to Pharmagreen Biotech Inc. and changed its principal business to the production of starter plantlets for the North American high CBD hemp and medical cannabis industries through the application of the proprietary plant tissue culture in vitro process called “Chibafreen”. This proprietary process will produce plantlets that will be genetically identical and free of pests and disease free with consistent and certifiable constituent properties. In 2022, the cannabis market in California and other states entered into a regression stage with the prices of the sun grown raw materials dropping below production costs including diminished demand for the sun grown material. Focusing on immediate revenues since Q2 2023, the Company has transitioned into a nutraceutical company formulating products from blends of therapeutic plants and fungi for sale.

Going Concern

These condensed consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2024, the Company has earned insignificant revenues from operations, has a working capital deficit of \$2,309,276, and has an accumulated deficit of \$13,514,780. During the three months ended December 31, 2024, the Company had cash outflows for operations of \$6,878. Furthermore, the Company has defaulted on its convertible notes. These factors raise substantial doubt upon the Company’s ability to continue as a going concern. These condensed consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Interim Financial Statements

These unaudited condensed consolidated financial statements as of and for the three months ended December 31, 2024, have been prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”) and the interim reporting rules of the Securities and Exchange Commission (“SEC”). These condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company’s financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

(b) Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with US GAAP and are expressed in U.S. dollars. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, WFS Pharmagreen Inc. (“WFS”), and its 89.7% owned subsidiary 1155097 BC Ltd. (“115BC”), companies incorporated in British Columbia, Canada. All inter-company accounts and transactions have been eliminated. The Company’s fiscal year-end is September 30.

PHARMAGREEN BIOTECH INC.

Notes to the Condensed Consolidated Financial Statements

December 31, 2024

(Expressed in U.S. dollars)

(Unaudited)

2. Significant Accounting Policies (continued)

(c) Use of Estimates and Judgments

The preparation of these condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the equity component of convertible notes, fair value of derivative liabilities, fair value of stock-based payments, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

The Company applies judgment in the application of the going concern assumption which requires management to take into account all available information about the future, which is at least, but not limited to 12 months from the end of the reporting period.

(d) Derivative Liabilities

The Company reviews the terms of convertible debt issuances to determine whether there are embedded derivative instruments, including embedded conversion options, which are required to be bifurcated and accounted for separately as derivative financial instruments. In circumstances where the host instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as non-operating income or expense. When the equity or convertible debt instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds received are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the host instruments themselves, usually resulting in those instruments being recorded at a discount from their face value. The discount from the face value of the convertible debt, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to interest expense.

The Company has adopted a sequencing approach to allocating its authorized and unissued shares when the number of such shares is insufficient to satisfy all convertible instruments or option type contracts that may be settled in shares. Specifically, the Company allocates its authorized and unissued shares based on the inception date of each instrument, with shares allocated first to those instruments with the earliest inception dates. Instruments with later inception dates for which no shares remain to be allocated are reclassified to asset or liability.

PHARMAGREEN BIOTECH INC.

Notes to the Condensed Consolidated Financial Statements

December 31, 2024

(Expressed in U.S. dollars)

(Unaudited)

2. Significant Accounting Policies (continued)

(e) Revenue Recognition

The Company generates revenues from its proprietary blend of therapeutic plants and fungi, a nutraceutical wellness product.

The Company accounts for its revenue transactions under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers* (“ASC Topic 606”). In accordance with ASC Topic 606, the Company recognizes revenues when its customers obtain control of its product for an amount that reflects the consideration it expects to receive from its customers in exchange for that product. To determine revenue recognition for contracts that are determined to be in scope of ASC Topic 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies the performance obligation. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. Once the contract is determined to be within the scope of ASC Topic 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when such performance obligation is satisfied.

The transaction price is based on the consideration that the Company expects to receive in exchange for its products and includes the fixed per-unit price of the product and variable consideration in the form of trade credits, vouchers, and rebates. The per-unit price is based on the Company’s established wholesale acquisition cost less a contractually agreed upon distributor discount with the customer.

(f) Recently Adopted Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. Inventory

Inventory consisted of finished goods held at held with third party distributors. At December 31, 2024, the carrying value of inventory was \$7,839 (September 30, 2024 – \$7,970).

4. Promissory Note Receivable

On February 5, 2023, the Company terminated the Memorandum of Understanding (“MOU”) described in Note 13. The advance of \$88,850 was converted into a non-interest bearing note which matures on September 30, 2025.

The Company determines the allowance for credit loss (“ACL”) for loan receivable based on past loan loss experience, known and inherent risks, adverse situations that may affect the borrower’s ability to repay (including the timing of future payment), and economic conditions. The process is inherently subject to significant change as it required material estimates. As at December 31, 2024, the Company had \$88,850 (September 30, 2024 – \$88,850), respectively, of loan receivable and no related ACL recorded, respectively.

PHARMAGREEN BIOTECH INC.

Notes to the Condensed Consolidated Financial Statements

December 31, 2024

(Expressed in U.S. dollars)

(Unaudited)

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2024 \$	September 30, 2024 \$
Accounts payable	788,907	799,705
Accrued interest payable	200,947	191,585
	989,854	991,290

6. Loans Payable

- (a) On November 22, 2019, the Company entered into a promissory note with an unrelated party for \$40,000 in connection with an equity purchase agreement. The promissory note is unsecured, was due on November 30, 2020, and bears interest on the unpaid principal balance at a rate of 10% per annum. As at December 31, 2024, the promissory note is in default and the Company has recorded accrued interest payable of \$20,174 (September 30, 2024 - \$19,418), which is included in accounts payable and accrued liabilities. Refer to Note 12(b).
- (b) On April 22, 2020, the Company received a loan for Cdn\$40,000 from the Government of Canada under the Canada Emergency Business Account program ("CEBA"). These funds were interest-free until December 31, 2023, at which time the full balance became due and payable. As at December 31, 2024, the balance owing is \$29,189 (Cdn\$41,886) (September 30, 2024 - \$30,634 (Cdn\$41,383)), including accrued interest payable of \$1,314 (Cdn\$1,886) (September 30, 2024 - \$1,024 (Cdn\$1,383)).
- (c) As at December 31, 2024, the Company owed a loan with a principal balance of \$59,077 (September 30, 2024 - \$59,077), which is unsecured, bears interest at 12% per annum and is due on demand. As at December 31, 2024, the Company has recorded accrued interest payable of \$39,606 (September 30, 2024 - \$37,823), which is included in accounts payable and accrued liabilities.

7. Convertible Notes

- (a) On April 4, 2018, as amended on April 4, 2023, the amount of \$32,485 owed to related parties was converted to Series A convertible notes, which are unsecured, non-interest bearing, and due on April 4, 2028. These notes are convertible in whole or in part, at any time until maturity, to common shares of the Company at \$0.0001 per share. The Company evaluated the convertible notes for a beneficial conversion feature in accordance with ASC 470-20 *Debt with Conversion and Other Options*. The Company determined that the conversion price was below the closing stock price on the commitment date, and the convertible notes contained a beneficial conversion feature. The Company recognized the intrinsic value of the embedded beneficial conversion feature of \$32,485 as additional paid-in capital and reduced the carrying value of the convertible note to \$nil. The carrying value was accreted over the term of the convertible notes up to their face value. As of December 31, 2024, the carrying value of the convertible notes was \$27,068 (September 30, 2024 - \$27,068).
- (b) On January 22, 2020, the Company entered into a convertible note with an unrelated party for \$78,750, of which \$9,750 was paid directly to third parties for financing costs, resulting in proceeds to the Company of \$69,000. The note was due on January 22, 2021, and bears interest on the unpaid principal balance at a rate of 10% per annum, payable in common stock, which increases to 24% per annum upon default of the note. The note may be converted at any time after the date of issuance into shares of Company's common stock at a conversion price equal to 65% of the lowest trading price during the 20-trading day period ending on the latest complete trading day prior to the conversion date. In connection with the issuance of the above convertible note, the Company evaluated the conversion option for derivative treatment under ASC 815-15, *Derivatives and Hedging*, and determined the conversion feature qualified as derivatives. The Company classified the conversion feature as a derivative liability at fair value. The initial fair value of the conversion feature was determined to be \$75,179.

PHARMAGREEN BIOTECH INC.

Notes to the Condensed Consolidated Financial Statements

December 31, 2024

(Expressed in U.S. dollars)

(Unaudited)

7. Convertible Notes (continued)

The Company recognized the maximum intrinsic value of the embedded beneficial conversion feature of \$68,500, resulting in a loss on change in fair value of derivative liabilities of \$6,679, and reduced the carrying value of the convertible note to \$500. The carrying value was accreted over the term of the convertible note up to its face value.

The convertible note is currently in default. As at December 31, 2024, the carrying value of the convertible note was \$78,750 (September 30, 2024 – \$78,750), the accrued interest owing is \$85,773 (September 30, 2024 – \$81,009), and the fair value of the derivative liability was \$157,227 (September 30, 2024 – \$879,257).

- (c) On March 11, 2022, the Company entered into a convertible note with an unrelated party for \$30,000, which was due on January 18, 2023, and bears interest on the unpaid principal balance at a rate of 10% per annum. The note may be converted at any time after the date of issuance into shares of Company's common stock at a conversion price equal to the closing price on the day of receiving the notice to convert. In connection with the issuance of the above convertible note, the Company evaluated the conversion option for derivative treatment under ASC 815-15, *Derivatives and Hedging*, and determined the conversion feature qualified as derivatives. The Company classified the conversion feature as a derivative liability at fair value. The initial fair value of the conversion feature was determined to be \$15,011, which reduced the carrying value of the convertible note to \$14,989. The carrying value was accreted over the term of the convertible note up to its face value.

On January 18, 2023, the Company failed to repay the note upon maturity and is currently in default. As of December 31, 2024, the carrying value of the convertible notes was \$30,000 (September 30, 2024 – \$30,000), the accrued interest owing is \$8,693 (September 30, 2024 – \$7,685), and the fair value of the derivative liability was \$13,003 (September 30, 2024 – \$15,635).

8. Derivative Liabilities

The embedded conversion option of the Company's convertible notes described in Note 7 contain a conversion feature that qualifies for embedded derivative classification. The fair value of this liability will be re-measured at the end of every reporting period and the change in fair value will be reported in the statement of operations as a gain or loss on change in fair value of derivative liabilities. The table below sets forth a summary of changes in the fair value of the Company's Level 3 financial liabilities:

	\$
Balance, September 30, 2024	894,892
Change in fair value of embedded conversion option	(724,662)
Balance, December 31, 2024	170,230

The Company uses Level 3 inputs for its valuation methodology for the embedded conversion option liabilities as their fair values were determined by using the binomial model based on various assumptions. Significant changes in any of these inputs in isolation would result in a significant change in the fair value measurement. As required, these are classified based on the lowest level of input that is significant to the fair value measurement.

The following table shows the inputs and assumptions used in the calculations:

	Exercise price	Stock price on measurement date	Expected volatility	Risk-free interest rate	Expected dividend yield	Expected life (in years)
As at September 30, 2024	\$0.0008	\$0.0042	206%	4.73%	0%	0.25
As at December 31, 2024	\$0.0010	\$0.0015	165%	4.37%	0%	0.25

PHARMAGREEN BIOTECH INC.

Notes to the Condensed Consolidated Financial Statements

December 31, 2024

(Expressed in U.S. dollars)

(Unaudited)

9. Related Party Transactions

- (a) As at December 31, 2024, the Company owed \$879,785 (Cdn\$1,262,492) (September 30, 2024 – \$879,562 (Cdn\$1,188,200)) to the President of the Company, which is non-interest bearing, unsecured, and due on demand. During the three months ended December 31, 2024, the Company incurred consulting fees of \$21,458 (2023 – \$22,033) to the President of the Company.
- (b) As at December 31, 2024, the Company owed \$51,220 (Cdn\$73,500) (September 30, 2024 – \$54,408 (Cdn\$73,500)) to the father of the President of the Company, which is non-interest bearing, unsecured, and due on demand.
- (c) As at December 31, 2024, the Company owed \$23,833 (Cdn\$34,200) (September 30, 2024 – \$25,316 (Cdn\$34,200)) to a company owned by the father of the President of the Company, which is included in accounts payable and accrued liabilities. The amount due is non-interest bearing, unsecured, and due on demand.
- (d) As at December 31, 2024, the Company owed \$682,882 (Cdn\$979,936) (September 30, 2024 – \$691,409 (Cdn\$934,024)) to a company controlled by the Chief Financial Officer of WFS, which is included in accounts payable and accrued liabilities. The amount due is non-interest bearing, unsecured, and due on demand. During the three months ended December 31, 2024, the Company incurred consulting fees of \$21,458 (2023 – \$22,033) to the company controlled by the Chief Financial Officer of WFS.
- (e) As at December 31, 2024, the Company owed \$38,327 (Cdn\$55,000) (September 30, 2024 – \$40,714 (Cdn\$55,000)) to the father of the President of the Company pursuant to a loan agreement dated June 1, 2022. The amount due bears interest at 10% per annum, is unsecured and due on June 1, 2026. As of December 31, 2024, the Company recognized accrued interest of \$9,923 (Cdn\$14,240) (September 30, 2024 – \$8,649 (Cdn\$12,853)), which is included in accounts payable and accrued liabilities.
- (f) As at December 31, 2024, the Company owed \$50,000 (September 30, 2024 - \$50,000) to the father of the President of the Company pursuant to a loan agreement dated June 1, 2022. The amount due bears interest at 10% per annum, is unsecured and due on June 1, 2026. As of December 31, 2024, the Company recognized accrued interest of \$12,945 (September 30, 2024 - \$11,685), which is included in accounts payable and accrued liabilities.

10. Common Stock

Three months ended December 31, 2024

There were no issuances of common stock during the three months ended December 31, 2024.

Three months ended December 31, 2023

- (a) On October 5, 2023, the Company issued 28,600,000 shares of common stock with a fair value of \$20,020 pursuant to the conversion of \$7,665 of a convertible debt.
- (b) On October 19, 2023, the Company issued 30,042,800 shares of common stock with a fair value of \$15,021 pursuant to the conversion of \$5,182 of a convertible debt.
- (c) On October 27, 2023, the Company issued 31,541,970 shares of common stock with a fair value of \$15,770 pursuant to the conversion of \$5,442 of a convertible debt.

PHARMAGREEN BIOTECH INC.

Notes to the Condensed Consolidated Financial Statements

December 31, 2024

(Expressed in U.S. dollars)

(Unaudited)

11. Preferred Stock

On October 13, 2020, the Company filed a certificate of amendment to its articles of incorporation, whereby it increased the authorized capital to 2,000,000,000 shares of common stock with a par value of \$0.001 per share and 1,000,000 preferred shares with a par value of \$0.001. On October 14, 2020, the Company designated 10,000 preferred shares as Series A Super Voting Preferred Stock. The Series A Super Voting Preferred Stock has the following rights and restrictions:

Dividends - Initially, there will be no dividends due or payable on the Series A Super Voting Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Corporation's Certificate of Incorporation. Any and all such future terms concerning dividends shall be reflected in an amendment to this Certificate, which the Board shall promptly file or cause to be filed.

Liquidation and Redemption Rights - Upon the occurrence of a Liquidation Event, the holders of Series A Super Voting Preferred Stock are entitled to receive net assets on a pro-rata basis. Each holder of Series A Super Voting Preferred Stock is entitled to receive ratably any dividends declared by the Board, if any, out of funds legally available for the payment of dividends.

Rank - All shares of the Series A Super Voting Preferred Stock shall rank (i) senior to the Corporation's (A) Common Stock, par value \$0.001 per share ("Common Stock"), and any other class or series of capital stock of the Corporation hereafter created, except as otherwise provided in clauses (ii) and (iii) of this Section 4, (ii) *pari passu* with any class or series of capital stock of the Corporation hereafter created and specifically ranking, by its terms, on par with the Series A Super Voting Preferred-Stock and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking, by its terms, senior to the Series A Preferred Stock, in each case as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

Voting Rights - If at least one share of Series A Super Voting Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series A Super Voting Preferred Stock at any given time, regardless of their number, shall have voting rights equal to 20 times the sum of: i) the total number of shares of Common stock which are issued and outstanding at the time of voting, plus ii) the total number of shares of all Series of Preferred stocks which are issued and outstanding at the time of voting.

Each individual share of Series A Super Voting Preferred Stock shall have the voting rights equal to:

- [twenty times the sum of: {all shares of Common stock issued and outstanding at the time of voting + all shares of Series A, Series A and any newly designated Preferred stock issued and outstanding at the time of voting}] Divided by:
- [the number of shares of Series A Super Voting Preferred Stock issued and outstanding at the time of voting]

With respect to all matters upon which stockholders are entitled to vote or to which stockholders are entitled to give consent, the holders of the outstanding shares of Series A Super Voting Preferred Stock shall vote together with the holders of Common Stock without regard to class, except as to those matters on which separate class voting is required by applicable law or the Certificate of Incorporation or By-laws.

Protective Provisions - So long as any shares of Series A Super Voting Preferred Stock are outstanding, the Corporation shall not, without first obtaining the unanimous written consent of the holders of Series A Super Voting Preferred Stock, alter or change the rights, preferences or privileges of the Series A Super Voting Preferred so as to affect adversely the holders of Series A Super Voting Preferred Stock.

The Company evaluated whether the preferred stock should be classified as a liability based on the guidance under ASC 480, *Distinguishing Liabilities from Equity*. The Series A Super Voting Preferred Stock are not considered mandatorily redeemable, are not settleable in a variable number of shares, and do not contain any features embedded that required a separate assessment. As a result, the Company determined the Series A Super Voting Preferred Stock were not a liability and classified the preferred stock within equity in the amount of the aggregate par value of the issued shares of preferred stock, with any excess attributed to additional paid-in capital.

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Notes to the Condensed Consolidated Financial Statements

December 31, 2024

(Expressed in U.S. dollars)

(Unaudited)

12. Commitments and Contingency

- (a) Effective December 11, 2017, the Company entered into a binding Letter of Intent (“LOI”) with Alliance Growers Corp. (“Alliance”), whereby the Company will build a new cannabis biotech complex located in Deroche, British Columbia, through their subsidiary, 115BC. On January 25, 2019, the Company’s subsidiaries WFS and 115BC entered into an option agreement with Alliance, which superseded the LOI entered into on December 11, 2017. The option agreement grants an option to Alliance to purchase 10% equity interest in 115BC for Cdn\$1,350,000 and previously granted a second option to purchase an additional 20% equity interest in 115BC for funding of 30% of the total construction and equipment costs for the biotech complex less Cdn\$1,350,000. On January 25, 2019, 115BC issued 8 shares of common stock to Alliance upon exercise of the first option for consideration of \$1,018,182 (Cdn\$1,350,008), which was recognized as additional paid-in capital. The second option expired unexercised. As at December 31, 2024, the Company received advances of \$52,265 (Cdn\$75,000) (September 30, 2024 - \$55,519 (Cdn\$75,000)) from Alliance, which is unsecured, non-interest bearing, and due on demand.
- (b) On November 22, 2019, the Company entered into an equity purchase agreement with an unrelated party, whereby the third party is to purchase up to \$10,000,000 of the Company’s common stock. The equity purchase agreement is effective for a term of 2 years from the effective date of the registration statement. The purchase price would be 85% of the market price. In return, the Company issued a promissory note of \$40,000 (Refer to Note 6(a)). In addition, the Company is required to pay an additional commitment fee of \$10,000, of which \$5,000 was paid upon signing the term sheet and the remaining \$5,000 is due upon completion of the first tranche of the financing.

On March 10, 2021, the noteholder filed a Notice of Motion for Summary Judgement in Lieu of Complaint (the “Notice”) with the State of New York Supreme Court, County of New York for \$40,504 plus interest at the rate of 10% per annum from January 6, 2021, plus costs. On July 31, 2021, the Notice was dismissed without prejudice by the State of New York Supreme Court. On September 23, 2021, the noteholder filed a new Notice of Motion for Summary Judgement in Lieu of Complaint with the State of New York Supreme Court, County of New York for \$44,504 plus interest at the rate of 10% per annum from January 6, 2021, plus costs. The plaintiff filed for an oral argument which was heard by the State of New York Supreme Court on September 15, 2022. On October 3, 2023, the motion for Summary Judgment in Lieu of Complaint and the cross-motion were denied. The plaintiff was ordered to file a formal complaint with the Company’s attorney within 20 days of this ruling, and the Company is required to respond within 20 days after service of the complaint. As of the date of these condensed consolidated financial statements, the Company and its attorney have not received such communication. The Company believes that the claim has no merit and intends to defend its position vigorously.

13. Memorandum of Understanding

On July 25, 2021, the Company entered into a Memorandum of Understanding (“MOU”) to acquire all the assets and cannabis business operation, including 12 acres of property, structure and cannabis licenses, existing sales channels and distribution networks, from a private company situated in Northern California. Upon reaching a definitive agreement, the Company intends to further develop a state-of-the-art flowering greenhouse of approximately 12,000 square feet or the maximum allowed by California State and Regional County. The acquisition price is \$2,400,000 to be paid through a combination of cash and shares. The Company also has an option from the seller to acquire an additional 120 acres or more of land for business expansion and development. The Company has advanced \$88,850 (September 30, 2024 – \$88,850) under the MOU, which will be applied against the final purchase price upon completion of a definitive agreement.

On February 5, 2023, the Company terminated the MOU. The advance of \$88,850 was converted into a note bearing no interest until September 30, 2025. Refer to Note 4.

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Notes to the Condensed Consolidated Financial Statements

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(Expressed in U.S. dollars)

(Unaudited)

14. Subsequent Event

The Company has evaluated subsequent events occurring between the most recent year end and the date these condensed consolidated financials were available to be issued. All subsequent events requiring recognition as of December 31, 2024, have been incorporated into these condensed consolidated financial statements and there are no subsequent events that require disclosure in accordance with FASB ASC Topic 855, *Subsequent Events*.