



HEMPALTA™

HEMPALTA CORP.
(formerly Trail Blazing Ventures Ltd.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in Canadian dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Hempalta Corp.
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hempalta Corp. and its subsidiaries (the "Group") which comprise the consolidated statements of financial position as at September 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss and changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Group is currently in the initial startup stages of its operations. As at September 30, 2024 and for the year then ended, the Group has a deficit of \$9,826,607. Cash flows and future operations are dependent upon the continued availability of equity and debt financing and favourable trade credit, and the Group's ability to achieve profitable operations. These conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The existence of a material uncertainty related to going concern is fundamental to users' understanding of the consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Business combination and goodwill impairment

Description:

As described in Note 10 to the consolidated financial statements, on April 30, 2024, Hempalta Corp. acquired the controlling interest of 50.1% of Hemp Carbon Standard Inc (HCS). The acquisition was accounted for using the acquisition method, with identifiable assets acquired and liabilities assumed, measured at their fair values at the acquisition date. Goodwill of \$2,134,062 arose on the transaction. An impairment charge of \$2,044,062 was subsequently recognized with respect to the goodwill.

Explanation on why this is a KAM:

- The goodwill resulting from the business is material to the consolidated financial statements.
- The evaluation of the impairment of goodwill requires significant auditor judgment since it is subject to a high degree of estimation uncertainty.

How the KAM was addressed:

The following procedures were performed to address the KAM:

- Obtained and reviewed the share purchase agreement and valuation analysis.
- Recalculated and reviewed management's business combination calculations including significant assumptions.
- Reviewed and analyzed compliance with the accounting, measurement and disclosure requirements from IFRS 3 – Business combinations.
- Reviewed and evaluated management's review of impairment indicators for goodwill, future cash flow forecasts for HCS and calculation of the amount of impairment required.
- Considered the purchase price paid subsequent to the year end to purchase the remaining shares of HCS as a reference point for the value of the goodwill.

Reverse takeover

Description:

As described in Note 5 to the consolidated financial statements, on March 19, 2024, Trail Blazing Ventures Ltd. (TBV) acquired all of the issued and outstanding securities of Hempalta Processing Inc. (Hempalta). As a result of the completion of the Qualifying Transaction, the former shareholders of Hempalta acquired 71% of the outstanding common shares of TBV, and, for accounting purposes, are considered to have acquired control of TBV. Accordingly, the Qualifying Transaction constitutes a reverse acquisition of TBV by Hempalta and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2 Share-based Payment.

Explanation on why this is a KAM:

- The amount of listing costs recorded is material to the consolidated financial statements.
- The accounting for reverse takeover transactions is complex and requires extensive audit effort and significant auditor attention.

How the KAM was addressed:

The following procedures were performed to address the KAM:

- Reviewed management's assessment of whether or not TBV constituted a business and evaluated the applicability of IFRS 2 and IFRS 3.
- Reviewed and analyzed the accounting, measurement and disclosure requirements in IFRS 2.
- Reviewed and summarized the amalgamation agreement.
- Recalculated and reviewed management's calculation of the consideration issued, fair value of the identifiable assets acquired and liabilities assumed, and resulting listing costs.

Other information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kathleen Dengler.

Calgary, Alberta
December 18, 2024

Geib & Company
Professional Corporation
Chartered Professional Accountants



HEMPALTA CORP. (formerly Trail Blazing Ventures Ltd.)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(Expressed in Canadian dollars)</i>	Notes	September 30, 2024	September 30, 2023
ASSETS			
Current			
Cash and cash equivalents		\$ 726,514	\$ 560,681
Accounts receivable		123,144	40,086
Inventory	6	401,476	347,929
Prepays		142,323	214,553
		1,393,457	1,163,249
Non-Current			
Property, plant and equipment	7	2,357,202	1,980,660
Right-of-use assets	8	949,457	1,101,011
Intangible assets	9,10	488,862	397,051
TOTAL ASSETS		\$ 5,188,978	\$ 4,641,971
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 142,910	\$ 223,027
Payable to non-controlling interest	10,22	190,726	-
Current portion of lease liabilities	11	150,276	143,597
Promissory note	12	-	300,000
Current portion of long-term debt	12	197,473	191,653
		681,385	858,277
Non-Current			
Contractual obligation		3,876	-
Long-term lease liabilities	11	834,241	984,517
Long-term debt	12	480,633	675,811
Convertible debenture	13	-	447,044
TOTAL LIABILITIES		2,000,135	2,965,649
EQUITY			
Share capital	14	12,089,456	4,489,263
Contributed surplus	14	980,575	487,261
Convertible debenture - equity		-	83,928
Deficit		(9,826,607)	(3,384,130)
Equity attributable to owners of the company		3,243,424	1,676,322
Non-controlling interest	10	(54,581)	-
TOTAL EQUITY		3,188,843	1,676,322
TOTAL LIABILITIES AND EQUITY		\$ 5,188,978	\$ 4,641,971

Nature of Business (Note 1)

Approved on behalf of the Directors:

(signed) "Craig Steinberg" (signed) "Darren Bondar"
Craig Steinberg Darren Bondar

See accompanying notes to the consolidated financial statements.

HEMPALTA CORP. (formerly Trail Blazing Ventures Ltd.)
CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

<i>(Expressed in Canadian dollars)</i>	Notes	Years ended	
		September 30, 2024	September 30, 2023
PRODUCT SALES		\$ 539,727	\$ 436,083
COST OF SALES		885,204	615,488
GROSS LOSS		(345,477)	(179,405)
EXPENSES			
Amortization	7,8,9	430,797	457,438
Financing costs	11,12,13	139,986	91,332
General and administrative costs	15	1,674,761	990,016
Share based compensation	14	142,061	224,520
		2,387,605	1,763,306
OTHER INCOME (EXPENSES)			
Other income		70,441	-
Government grant	16	13,634	99,977
Goodwill impairment	9	(2,044,062)	-
Listing costs	5	(1,803,989)	-
NET LOSS AND COMPREHENSIVE LOSS		\$ (6,497,058)	\$ (1,842,734)
Net loss and comprehensive loss attributed to:			
Owners of the Company		\$ (6,442,477)	\$ (1,842,734)
Non-controlling interest	10	\$ (54,581)	\$ -
NET LOSS PER SHARE			
Basic and diluted		(\$0.09)	(\$0.04)
Weighted average number of common shares			
Basic and diluted		71,192,124	44,674,622

See accompanying notes to the consolidated financial statements.

HEMPALTA CORP. (formerly Trail Blazing Ventures Ltd.)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(Expressed in Canadian dollars)</i>	Notes	Common Shares		Contributed Surplus	Convertible Debenture - Equity	Accumulated Deficit	Non-controlling Interest ("NCI")	Total
		Number	Amount					
Balance at September 30, 2022		38,000,000	\$ 3,266,911	\$ 152,673	\$ -	\$ (1,541,396)	\$ -	\$ 1,878,188
Private placement	14	9,126,627	1,299,840	69,154	-	-	-	1,368,994
Share issue costs	14	-	(85,988)	-	-	-	-	(85,988)
Convertible debenture	14	-	-	44,414	83,928	-	-	128,342
Options exercised	14	50,000	8,500	(3,500)	-	-	-	5,000
Share based compensation	14	-	-	224,520	-	-	-	224,520
Net and comprehensive loss		-	-	-	-	(1,842,734)	-	(1,842,734)
Balance at September 30, 2023		47,176,627	\$ 4,489,263	\$ 487,261	\$ 83,928	\$ (3,384,130)	\$ -	\$ 1,676,322
Balance at September 30, 2023		47,176,627	\$ 4,489,263	\$ 487,261	\$ 83,928	\$ (3,384,130)	\$ -	\$ 1,676,322
Private placement	14	1,333,333	200,000	-	-	-	-	200,000
Subscription receipts	14	6,649,821	1,130,470	-	-	-	-	1,130,470
Convertible debenture conversion	14	3,754,982	598,731	-	(83,928)	-	-	514,803
Shares of the Company pursuant to closing of the Qualifying Transaction	5	23,529,413	4,000,002	-	-	-	-	4,000,002
Revaluation of stock options upon closing of the Qualifying Transaction	5	-	-	351,253	-	-	-	351,253
Acquisition of Hemp Carbon Standard	14	12,500,000	2,000,000	-	-	-	-	2,000,000
Share based compensation	14	-	-	142,061	-	-	-	142,061
Share issue costs	14	-	(329,010)	-	-	-	-	(329,010)
Net and comprehensive loss		-	-	-	-	(6,442,477)	(54,581)	(6,497,058)
Balance at September 30, 2024		94,944,176	\$ 12,089,456	\$ 980,575	\$ -	\$ (9,826,607)	\$ (54,581)	\$ 3,188,843

See accompanying notes to the consolidated financial statements.

HEMPALTA CORP. (formerly Trail Blazing Ventures Ltd.)
CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(Expressed in Canadian dollars)</i>	Notes	Years ended	
		September 30, 2024	September 30, 2023
OPERATING ACTIVITIES			
Net loss		\$ (6,497,058)	\$ (1,842,734)
Items not affecting cash and cash equivalents:			
Amortization	7,8,9	430,797	457,438
Financing costs	11,12,13	150,831	44,875
Share based compensation	14	142,061	224,520
Listing costs	5	1,803,989	-
Goodwill impairment		2,044,062	-
		(1,925,318)	(1,115,901)
Changes in non-cash working capital balances			
Accounts receivable		(83,058)	567
Inventory		(53,547)	(129,811)
Prepaid expenses		72,230	(201,511)
Accounts payable and accrued liabilities		(80,118)	162,579
Net change in non-cash working capital		(144,493)	(168,176)
Cash flows used in operating activities		(2,069,811)	(1,284,077)
FINANCING ACTIVITIES			
Proceeds from the issuance of shares, net of costs	14	1,001,460	1,283,006
Options exercised	14	-	5,000
Lease liabilities settled	11	(192,000)	(189,000)
Proceeds from (repayment of) promissory note, net	12	(300,000)	300,000
Repayment of long term debt	12	(224,027)	(132,536)
Proceeds from convertible debenture	13	-	565,000
Payable to non-controlling interest	10	190,726	-
Contractual obligation on deferred revenue		3,876	-
Cash flows from financing activities		480,035	1,831,470
INVESTING ACTIVITIES			
Additions to property, plant and equipment	7	(587,595)	(85,978)
Additions to intangible assets	9	(70,000)	(30,000)
Cash acquired in reverse acquisition, net	5	2,547,266	-
Acquisition of Hemp Carbon Standard Inc. ("HCS")	10	(134,062)	-
Cash flows used in investing activities		1,755,609	(115,978)
Increase in cash and cash equivalents		165,833	431,415
Cash and cash equivalents, beginning of year		560,681	129,266
Cash and cash equivalents, end of year		\$ 726,514	\$ 560,681
Supplemental disclosure of non-cash activities			
Conversion of convertible debt into common shares	13	514,803	-
Issuance of shares for acquisition of HCS	14	2,000,000	-
Acquisition of goodwill from acquisition of HCS	10	(2,134,062)	-
Fair value of stock options acquired in reverse acquisition	5	351,253	-

See accompanying notes to the consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Hempalta Corp. (the “Company”) is a public company trading on the TSX Venture Exchange under the symbol (TSX.V: HEMP). The Company’s head office is located at 1560 Hastings Crescent SE, Calgary, Alberta, Canada, T2G 4E1. It was originally incorporated under the name Trail Blazing Ventures Ltd. (“TBV”) under the Business Corporations Act (Alberta) on August 30, 2021, and was a Capital Pool Company as defined in Policy 2.4 (the “Policy”) of the TSX Venture Exchange (the “Exchange”).

On March 19, 2024, TBV completed its qualifying transaction (the “Qualifying Transaction”) pursuant to the rules and policies of the Exchange by acquiring 100% of the issued and outstanding share capital of Hempalta Processing Inc. (“Hempalta”). Hempalta was a private company incorporated on November 12, 2021, in the province of Alberta as 2387761 Alberta Ltd. and changed its name to Hempalta Inc. on January 7, 2022. On June 24, 2024, it changed its name to Hempalta Processing Inc. Hempalta is engaged in hemp processing and manufacturing hemp products from industrial hemp grown in Southern Alberta at its production facility in Calgary, Alberta, Canada.

The Company is currently in the initial start up stages of its operations. Cash flows and future operations are dependent upon the continued availability of equity and debt financing and favourable trade credit and the Company’s ability to achieve profitable operations. Should the Company be unable to attain profitable operations, debt and equity financing, or favourable trade credit, there is a material uncertainty about the Company’s ability to continue as a going concern.

Details of the working capital and deficit of the Company are as follows:

	September 30, 2024		September 30, 2023	
Working capital	\$	712,072	\$	304,972
Deficit	\$	(9,826,607)	\$	(3,384,130)

These consolidated financial statements (“Financial Statements”) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations, and do not include any adjustments to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

These financial statements are prepared according to International Accounting Standard (IAS) 1, Presentation of Financial Statements using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Reporting Interpretation Committee (“IFRIC”) effective as of September 30, 2024.

These financial statements were authorized for issue by the Board of Directors, on December 18, 2024.

BASIS OF MEASUREMENT

These financial statements are prepared on a historic cost basis; except for financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

BASIS OF CONSOLIDATION

The acquisition of Hempalta has been accounted for as a reverse takeover of TBV by Hempalta. Accordingly, the reported balances and transactions for periods prior to March 19, 2024, are those of Hempalta.

HEMPALTA CORP. (formerly Trail Blazing Ventures Ltd.)
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The consolidated financial statements include the accounts of TBV since March 19, 2024, the accounts of HCS since April 30, 2024, and those of its wholly owned subsidiary Hempalta since the incorporation of Hempalta in 2021.

All intra-group transactions, balances, income and expenses are eliminated during consolidation. The financial statements of Hempalta are prepared for the same financial information presentation period as the Company and as per the same accounting policies.

FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared based on the following accounting policies:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and at banks, deposits in trust accounts and other short-term highly liquid investments with original maturities of three months or less.

INVENTORY

Inventory is measured at the lower of cost and net realizable value. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present condition. Inventory is comprised of raw materials, work in progress, and finished goods. The cost of inventory is determined using the weighted average method.

Net realizable value is calculated as the difference between the estimated selling price and estimated costs to complete processing into a saleable form. Inventory is written down to net realizable value when the cost of inventory is estimated to be unrecoverable due to obsolescence, damage or declining selling prices. When the circumstances that previously caused inventory to be written down below cost no longer exist, the amount of write-down previously recorded is reversed.

PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment is recorded at cost less accumulated depreciation. Cost includes all costs required to bring the asset into its intended use.

Depreciation of each asset is computed as follows:

Class of property, plant and equipment	Amortization rate
Processing equipment	10% declining balance
Furniture and fixtures	20% declining balance
Plant and buildings	20% declining balance
Vehicles	20% declining balance

Leasehold improvements are amortized on a straight-line basis over the length of the lease. When assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset, the costs and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in profit or loss.

LEASES

Right-of-use assets and lease liability

At inception of a contract the Company assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. The Company recognized a right-of-use assets (lease asset) and a lease liability at the lease commencement date. The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received. The lease asset is subsequently depreciated using the

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straight-line method from the commencement date to the end of the useful life of the right-of-use asset, considered to be indicated by the lease term. The lease asset is periodically adjusted for certain remeasurements of the lease liability and impairment losses, if any.

The lease liability is initially measured at the present value of outstanding lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset with any excess over the carrying amount of the asset being recognized in profit or loss. The Company also has the right to elect to not recognize short-term leases (leases with a term of 12 months or less) and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Intangible assets are initially recognized at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated depreciation and any accumulated impairment losses. The Intangible assets are amortized on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The estimated useful lives and depreciation methods are reviewed annually, with any changes in estimate accounted for prospectively.

Intangible assets are amortized on a straight-line basis over the estimated useful lives of the related assets as follows:

Class of intangible asset	Amortization rate
Intellectual property	10 years
Licences	20 years
Trademarks	4 years
Goodwill	Indefinite

RESEARCH AND DEVELOPMENT COSTS

The company is engaged in research and development activities of new and existing products. Research costs are expensed as they are incurred. Development costs are also expensed in the period incurred unless such costs meet the criteria for recognition as an intangible asset.

GOVERNMENT GRANTS

Government grants are recognized in the Statement of Loss and Comprehensive Loss over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate. Government grants are recognized only when there is reasonable assurance that the Company will comply with the condition attached to the grant and that the grant will be received.

Investment tax credits related to the research and development expenditures are accrued as an offset to the expense when there is reasonable assurance that the credits will be realized. Investment tax credits are recoverable from the Governments of Canada and Alberta under the Scientific Research and Experimental Development Incentive Programs and are subject to government approval.

The Company accounts for a forgivable loan from the government as a government grant when there is reasonable assurance that the Company will meet the terms for the forgiveness of the loan. The Company records the government loan at its estimated fair value at the date in which the payments are recorded. The estimated fair value of the loan is determined using the effective interest rate method. The difference between the fair value and the proceeds of the interest free loans is a benefit and is also accounted for as a government grant. The benefit is accreted to the loan over the term of the loan.

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FINANCIAL INSTRUMENTS

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company’s financial instruments are classified as follows:

<u>Financial Assets</u>	<u>IFRS 9 Classification</u>
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
<u>Financial Liabilities</u>	
Accounts payable and accrued liabilities	Amortized cost
Note payable	Amortized cost
Promissory Note	Amortized cost
Long-term debt	Amortized cost
Convertible debenture	Amortized cost
Payable to non-controlling interest	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in the statement of loss and comprehensive loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other loss and comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

IMPAIRMENT

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized in the statement of loss and comprehensive loss for the year.

SHARE CAPITAL

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Preferred share capital is classified as equity if it is non-redeemable, or retractable only at the Company's options and any dividends are discretionary.

Where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares is based on the trading price of those shares, if available, on the appropriate stock exchange on the date of the agreement to issue or receive shares.

The proceeds from the exercise of share options and warrants and issuance of shares from treasury are recorded as share capital in the amount for which the option, warrant, or treasury share enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at an amount based on fair market value on the date the shares are issued.

The proceeds from the issue of units consisting of a common share and a share purchase warrant is allocated between common shares and common share purchase warrants on a pro-rata basis on a relative fair value basis, wherein, the fair value of the common shares is based on the market closing price, if available, on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes Option Pricing Model.

In the event there is a change to the warrant terms (price or exercise date), no change is made to the initial value recognized for the warrant.

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REVENUE

The Company's revenue is primarily derived from the sale of hemp products. Revenue from the sale of hemp products in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Sales revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involved with the goods, and the amount of revenue can be measured reliably. The transfer of risks and rewards occurs when the product is received by the customer.

SHARE-BASED PAYMENT TRANSACTIONS

The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Where the share options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where share options are granted to non-employees, fair value is measured at grant date at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

All share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

INCOME TAXES

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

LOSS PER SHARE

The Company presents basic and diluted earnings (loss) per share for its common shares, calculated by dividing the loss attributable to common shareholders after preferred share dividends of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new or amended standards or interpretations issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee (IFRIC) do not have to be early adopted in the current period.

The Company will adopt these amendments as of their effective dates and is currently assessing their impacts on adoption. There are no other standards or interpretations issued, but not yet effective, that the Company anticipates may have a material effect on the financial statements once adopted.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant judgments, estimates and assumptions considered by management in preparing the financial statements include:

- **Assets' carrying values and impairment charges** - In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.
- **Contingencies** - Contingencies can be either possible assets or possible liabilities arising from past events, which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.
- **Amortization rates** - All property, plant and equipment are amortized over a term, which the Company believes is the best approximation of the asset utility to the Company. If the estimated life had been longer than management's estimate, the carrying amount of the asset would have been higher. The Company applies significant estimates to determine the useful lives, considering technological advancements, past experience, expected use and review of useful lives.
- **Share-based payments** - Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

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- Income taxes, value added, withholding and other taxes - The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.
- Discount rate used in determination of the Company's lease liabilities, right-of-use assets, and net investment in lease depends on certain assumptions, which include the selection of the discount rate. The discount rate is set by reference to the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's financial statements.

5. REVERSE TAKEOVER

On March 19, 2024, TBV completed the acquisition of all of the issued and outstanding securities of Hempalta. Hempalta is engaged in hemp processing and manufacturing hemp products from industrial hemp grown in Southern Alberta at its production facility in Calgary, Alberta, Canada.

The acquisition of Hempalta constituted TBV's "Qualifying Transaction" (as defined by Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange) and was completed according to the terms of an amalgamation agreement dated November 15, 2023 (the "Amalgamation Agreement"), pursuant to which, among other things, TBV acquired all of the issued and outstanding securities of Hempalta by way of a three-cornered amalgamation with a wholly-owned subsidiary of TBV (the "Transaction") under the Business Corporations Act (Alberta). Prior to the completion of the Transaction, TBV: (i) completed a consolidation on the basis of one (1) post-consolidation common share of TBV ("TBV Share") for every 1.7 pre-consolidation TBV Shares; and (ii) changed its name from Trail Blazing Ventures Ltd. to Hempalta Corp.

Pursuant to the Amalgamation Agreement, the issued and outstanding common shares of Hempalta ("Hempalta Shares") were exchanged for TBV Shares on a 1:1 basis in connection with the Transaction. Pursuant to the Transaction: (i) an aggregate of 58,914,763 TBV Shares were issued in exchange for the outstanding Hempalta Shares, which included the Hempalta Shares issued upon the conversion of Subscription Receipts (as defined herein), as well as 3,531,250 Hempalta Shares issued upon the conversion of the \$565,000 outstanding principal amount of 12% unsecured subordinated convertible debentures of the Hempalta ("Hempalta Debentures") and 223,732 Hempalta Shares issued in payment of interest accrued and payable on the Hempalta Debentures; (ii) warrants exercisable to acquire 2,629,964 TBV Shares were issued in exchange for the outstanding Hempalta Share purchase warrants of the Hempalta; (iii) broker warrants exercisable to acquire 154,859 TBV Shares were issued in exchange for the outstanding broker warrants of the Hempalta ("Broker Warrants") which were issued in connection with the Subscription Receipt Financing (as defined herein); and (iv) stock options exercisable to acquire 4,700,000 TBV Shares were issued in exchange for the outstanding stock options of the Hempalta.

As a result of the completion of the Qualifying Transaction, the former shareholders of Hempalta acquired 71% of the outstanding common shares of TBV, and, for accounting purposes, are considered to have acquired control of the TBV. Accordingly, the Qualifying Transaction constitutes a reverse acquisition of TBV by Hempalta and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, Share-based Payment, and IFRS 3, Business Combinations. As TBV did not qualify as a business prior to the closing of the Qualifying Transaction according to the definition in IFRS 3, this reverse acquisition did not constitute a business combination; rather it was treated as an issuance of shares by Hempalta for the net assets of TBV. Accordingly, no goodwill was recorded with respect to the transaction.

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The transaction was measured at the fair value of the common shares that Hempalta would have had to issue to the shareholders of TBV, being 23,529,413 common shares with a fair value of \$4,000,002, and the fair value of 2,352,941 stock options of TBV with a fair value of \$351,253, to give the shareholders of TBV the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Hempalta acquiring TBV.

The fair value of common shares and stock options issued are estimated based on the financing event which took place concurrently to the reverse takeover transaction at the price of \$0.17 per common share (Note 14).

The purchase price is allocated as follows:

Fair value of TBV shares (23,529,413 common shares) (Note 14)	\$	4,000,002
Fair value of 2,352,941 stock options of TBV outstanding		351,253
Total consideration	\$	4,351,255
Less: fair value of identifiable assets and liabilities acquired		
Cash	\$	2,564,533
Accounts payable and accrued liabilities		(17,267)
Net assets	\$	2,547,266
Listing costs	\$	1,803,989

6. INVENTORY

Total carrying amount of inventory is as follows:

	September 30, 2024	September 30, 2023
Raw materials	\$ 89,642	\$ 71,679
Work in progress	135,622	198,033
Finished goods	176,212	78,217
	\$ 401,476	\$ 347,929

Cost of inventory is recognized as an expense when sold and is included in cost of goods sold. During the year ended September 30, 2024, the Company expensed \$605,673 (2023 - \$324,751) of inventory to cost of goods sold.

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7. PROPERTY, PLANT AND EQUIPMENT

A reconciliation of the changes in the carrying amount of property, plant and equipment is as follows:

	Furniture and fixtures	Processing Equipment	Plant and Buildings	Vehicles	Total
Cost					
September 30, 2022	\$ 43,820	\$ 2,200,000	\$ 36,005	\$ 25,000	\$ 2,304,825
Additions	3,422	67,269	15,287	-	85,978
September 30, 2023	47,242	2,267,269	51,292	25,000	2,390,803
Additions	3,012	-	584,583	-	587,595
September 30, 2024	\$ 50,254	\$ 2,267,269	\$ 635,875	\$ 25,000	\$ 2,978,398
Accumulated amortization					
September 30, 2022	\$ 6,573	\$ 165,000	\$ 5,731	\$ 3,750	\$ 181,054
Amortization	8,134	209,666	7,039	4,250	229,089
September 30, 2023	14,707	374,666	12,770	8,000	410,143
Amortization	7,109	195,371	5,173	3,400	211,053
September 30, 2024	\$ 21,816	\$ 570,037	\$ 17,943	\$ 11,400	\$ 621,196
Net book value					
September 30, 2023	\$ 32,535	\$ 1,892,603	\$ 38,522	\$ 17,000	\$ 1,980,660
September 30, 2024	\$ 28,438	\$ 1,697,232	\$ 617,932	\$ 13,600	\$ 2,357,202

Included in plant and buildings are assets in the course of construction, that are not being amortized, with a net book value of \$597,136 (2023 - \$12,553).

8. RIGHT-OF-USE ASSETS

A reconciliation of the changes in the carrying amount of right-of-use assets is as follows:

Cost	September 30, 2024	September 30, 2023
Beginning balance	\$ 1,394,874	\$ 715,719
Lease extension	-	679,155
Ending balance	\$ 1,394,874	\$ 1,394,874
Accumulated amortization		
Beginning balance	\$ 293,863	\$ 128,829
Amortization	151,554	165,034
Ending balance	\$ 445,417	\$ 293,863
Net book value	\$ 949,457	\$ 1,101,011

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9. INTANGIBLE ASSETS

A reconciliation of the changes in the carrying amount of intangible assets is as follows:

	Intellectual Property	Licences	Trademarks	Goodwill	Total
September 30, 2022	\$ 346,875	\$ -	\$ 83,491	\$ -	\$ 430,366
Additions	-	30,000	-	-	30,000
Amortization	(37,500)	(125)	(25,690)	-	(63,315)
September 30, 2023	\$ 309,375	\$ 29,875	\$ 57,801	\$ -	\$ 397,051
Additions (Note 10)	-	70,000	-	2,134,062	2,204,062
Amortization	(37,500)	(5,000)	(25,689)	-	(68,189)
Impairment	-	-	-	(2,044,062)	(2,044,062)
September 30, 2024	\$ 271,875	\$ 94,875	\$ 32,112	\$ 90,000	\$ 488,862

Goodwill impairment of \$2,044,062 has been recognized in the current year triggered by annual goodwill impairment testing reflecting factors including lower than expected revenues achieved by HCS to date.

10. BUSINESS COMBINATION AND NON-CONTROLLING INTEREST ("NCI")

On April 30, 2024, the Company acquired the controlling interest of 50.1% of Hemp Carbon Standard Inc. ("HCS"), an Alberta based company in the business of carbon credit generation.

The acquisition of the HCS strategically aligns with the Company's mission to lead the hemp industry in sustainability and innovation. HCS has a financial incentive program designed to reward industrial hemp farmers for their contributions to sustainable carbon farming. By integrating HCS into its portfolio, the Company strengthens its ability to offer end-to-end solutions for the hemp value chain, from processing and products to environmental impact and carbon credit generation.

The transaction was completed by way of a share purchase agreement (the "SPA") among HCS, Climafi Limited ("Climafi"), and the Company. Pursuant to the terms of the SPA, Climafi received an aggregate of 12,500,000 common shares of the Company, issued at a deemed price of \$0.16 per Share. The acquisition had a closing date of April 30, 2024.

This acquisition was accounted for using the acquisition method, with the operating results of HCS included in the Company's financial and operating results from the date of acquisition.

Fair value of net assets acquired, and liabilities assumed	
Accounts payable	\$ (123,750)
Payable to non-controlling interest	(10,312)
	<u>\$ (134,062)</u>
Consideration	
Issuance of 12,500,000 common shares (Note 14)	\$ 2,000,000
Goodwill (Note 9)	<u>\$ 2,134,062</u>

The following qualitative factors make up the goodwill and the rationale for the acquisition of HCS:

1. Accelerate Farmer Adoption: By providing financial rewards for sustainable practices, HCS incentivizes farmers to grow hemp, fostering greater adoption of hemp farming as a climate-positive solution.
2. Expand Revenue Streams: The Company can now actively participate in the growing carbon credit market, creating new revenue opportunities by monetizing hemp's exceptional carbon sequestration capabilities.
3. Enhance Sustainability Credentials: Owning HCS reinforces the Company's commitment to environmental responsibility, positioning the company as a leader in both the industrial hemp and carbon credit spaces.

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4. Boost Market Influence: The acquisition solidifies Hempalta's role as an industry pioneer, enabling it to shape the standards and policies for hemp-based carbon credits on a global scale.
5. Strengthen Farmer Partnerships: Hempalta can build stronger relationships with hemp farmers by directly supporting their economic and environmental goals through the HCS program.

As at September 30, 2024, the Company owned 50.1% of HCS, and Climafi owned a 49.9% non-controlling interest ("NCI") and holds 49.9% of the voting rights.

	Climafi NCI Ownership	
Hemp Carbon Standard Inc.		49.9%
		September 30, 2024
Net loss and comprehensive loss	\$	(109,380)
Total loss and comprehensive loss attributable to NCI		(54,581)
Accumulated deficit allocated to NCI		-
Total non-controlling interest	\$	(54,581)
Current assets	\$	16,551
Current liabilities		(364)
Non-current liabilities		(194,602)
Net assets	\$	(178,415)
Cash flows used in operating activities	\$	(231,851)
Cash flows provided by financing activities		248,402
Net increase in cash	\$	16,551

As at September 30, 2024, the Company has a long-term payable to Climafi of \$190,726, with no interest and no terms of repayment. See Note 22.

11. LEASE LIABILITIES

The Company recognizes lease liabilities for right-of-use assets for the office and processing facility using an estimated discount rate of 4.554%. As part of the acquisition that closed on December 30, 2021, the Company assumed the facility lease agreement. The Lease agreement expires in February 2026, with an option to renew for a five-year term. Effective June 1, 2023, the Company signed an extension to the lease for a further 5 years.

The changes in lease liabilities are as follows:

	September 30, 2024		September 30, 2023	
Balance, beginning	\$	1,128,114	\$	603,471
Acquisition		-		679,155
Interest expense		48,403		34,488
Lease payments		(192,000)		(189,000)
End of period	\$	984,517	\$	1,128,114
Current portion		150,276		143,597
Long-term portion		834,241		984,517
Lease Liabilities	\$	984,517	\$	1,128,114

The total undiscounted amount of the estimated future cash flows to settle the lease liabilities over the remaining lease term is \$1,135,856.

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The following is a reconciliation from the undiscounted lease payments to the lease liabilities for fiscal years ended September 30:

2025	\$	192,000
2026		175,984
2027		164,544
2028		172,543
2029 and later		430,785
Total contractual cash flows		1,135,856
Less: interest		(151,339)
Lease liabilities	\$	984,517

12. LONG-TERM DEBT

CREDIT FACILITY WITH FARM CREDIT CANADA

The Company has credit facilities in the amount of \$1.0 million (the "FCC Facility") from Farm Credit Canada. The FCC Facility contemplates a five-year term, maturing December 1, 2026, including monthly interest-only payments until January 1, 2023. Subsequent to January 1, 2023, blended monthly payments of \$18,669 are required. Amounts drawn on the main facility bear interest at a rate of 4.554% per annum. The credit facility is secured by the machinery and equipment of the Company with a net book value of \$1,697,232 as well as a \$500,000 personal guarantee of the Chief Executive Officer of the Company. The proceeds of the FCC Facility were used to finance the acquisition of machinery and equipment.

The changes in the credit facility are as follows:

	September 30, 2024	September 30, 2023
Beginning balance	\$ 867,464	\$ 1,000,000
Interest	34,669	42,845
Payments made	(224,027)	(175,381)
Ending balance	\$ 678,106	\$ 867,464
Current portion of long-term debt	197,473	191,653
Long-term portion of long-term debt	480,633	675,811
	\$ 678,106	\$ 867,464

Principal payments for fiscal years ended September 30 are as follows:

2025	\$	197,473
2026		206,575
2027		274,058
Total payments	\$	678,106

PROMISSORY NOTE

The promissory note is from the Chief Executive Officer and Director of the Company. The note bears interest at 12% and is considered a related party transaction.

	September 30, 2024	September 30, 2023
Balance, beginning	\$ 300,000	\$ -
Proceeds	495,000	300,000
Interest	22,900	3,612
Payments	(817,900)	(3,612)
Balance, ending	\$ -	\$ 300,000

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13. CONVERTIBLE DEBENTURES

On July 31, 2023, the Company issued Unsecured Subordinated Convertible Debentures (“Debentures”) for total proceeds of \$200,000. The Debentures bear interest of 12% and mature on July 31, 2025 (“Maturity Date”). The Debentures are convertible at the discretion of the Debenture holders at a price of \$0.16 per common share (“Conversion Price”). The convertible debentures were converted into shares during the current year.

As part of the Debenture issuance the Company granted 625,000 warrants to the Debenture holders to purchase up to 625,000 common shares, at an exercise price of \$0.20 per share, exercisable on or before July 31, 2025.

The warrants vested and are exercisable as of the grant date. The warrants were valued using the Black-Scholes method and the fair value of \$44,414 was recorded as deferred financing costs. Prior to conversion, \$14,805 was amortized into profit and loss and subsequently included in the conversion to common shares.

Due to the qualifying transaction which occurred on March 19, 2024, at a price greater than the Conversion Price, the outstanding Debentures were automatically converted into common shares at the Conversion Price.

The changes in the convertible debenture are as follows:

	September 30, 2024	September 30, 2023
Balance, beginning	\$ 136,263	\$ -
Initial proceeds from debt	-	200,000
Deferred financing costs	-	(44,414)
Transfer of conversion component to equity	-	(29,709)
Amortization of deferred financing costs	11,104	3,701
Accrued interest	12,033	4,011
Accretion on convertible debentures	8,022	2,674
Converted to common shares (Note 14)	(167,422)	-
Balance, ending	\$ -	\$ 136,263

On September 29, 2023, the Company issued Unsecured Subordinated Convertible Debentures (“Debentures”) for total proceeds of \$365,000. The Debentures bear interest of 12% and mature on September 30, 2025 (“Maturity Date”). The Debentures are convertible at the discretion of the Debenture holders at a price of \$0.16 per common share (“Conversion Price”). The convertible debentures were converted into shares during the year.

The changes in the convertible debenture are as follows:

	September 30, 2024	September 30, 2023
Balance, beginning	\$ 310,781	\$ -
Initial proceeds from debt	-	365,000
Transfer of conversion component to equity	-	(54,219)
Accrued interest	21,960	-
Accretion on convertible debentures	14,640	-
Converted to common shares (Note 14)	(347,381)	-
Balance, ending	\$ -	\$ 310,781

14. SHARE CAPITAL

AUTHORIZED

The Company is authorized to issue an unlimited number of voting common shares, without par value.

The Company is authorized to issue an unlimited number of Preferred Shares (issuable in series).

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ISSUED AND OUTSTANDING COMMON SHARES

A reconciliation of the number and dollar amount of outstanding shares is shown below.

Common Shares	Number	Amount
Balance at September 30, 2022	38,000,000	\$ 3,266,911
Private placements	9,126,627	1,299,840
Share issue costs	-	(85,988)
Options exercised	50,000	8,500
Balance at September 30, 2023	47,176,627	\$ 4,489,263
Private placement	1,333,333	200,000
Subscription receipts	6,649,821	1,130,470
Convertible debenture conversion (Note 13)	3,754,982	598,731
Shares of the Company pursuant to closing of the Qualifying Transaction (Note 5)	23,529,413	4,000,002
Acquisition of Hemp Carbon Standard Inc. (Note 10)	12,500,000	2,000,000
Share issue costs	-	(329,010)
Balance at September 30, 2024	94,944,176	\$ 12,089,456

On November 9, 2022, the Company closed a private placement financing by issuing 6,793,294 common shares at a price of \$0.15 per share for gross proceeds of \$1,018,994.

On April 28, 2023, the Company issued 50,000 shares on exercise of options at \$0.10 per share.

On June 27, 2023, the Company closed a private placement financing by issuing 1,333,333 units at a price of \$0.15 per unit for gross proceeds of \$200,000. Each unit consist of 1 share and 0.75 share purchase warrants, with each warrant entitling the holder to acquire one common share for \$0.10 per warrant share until four years from the date of issuance. The warrants vested and are exercisable as of the grant date.

On June 28, 2023, the Company closed a private placement financing by issuing 1,000,000 common shares at a price of \$0.15 per share, for gross proceeds of \$150,000.

On December 8, 2023, the Company closed a private placement financing by issuing 1,333,333 common shares at a price of \$0.15 per share for gross proceeds of \$200,000.

On January 19, 2024, Hempalta completed a brokered private placement (the "Subscription Receipt Financing") led by Canaccord Genuity Corp. (the "Agent"), pursuant to which Hempalta issued and sold 6,473,351 subscription receipts of Hempalta ("Subscription Receipts"). Additionally, in connection with the Subscription Receipt Financing, Hempalta (i) paid to the Agent a cash corporate finance fee in the amount of \$25,000, (ii) issued to the Agent a total of 176,470 Subscription Receipts in satisfaction of a Subscription Receipts corporate finance fee with a value of \$30,000, (iii) issued to the Agent 154,859 Broker Warrants exercisable into Hempalta Shares at an exercise price of \$0.17 per share, (iv) paid to the Agent, in connection with the Escrow Release (as defined herein), \$20,376 in cash commission, and (v) paid the Agent's expenses in connection with the Subscription Receipt Financing. Prior to the completion of the Transaction, each of the 6,649,821 Subscription Receipts was automatically converted into one Hempalta Share (the "Escrow Release"). Each such Hempalta Share was exchanged pursuant to the Transaction for one TBV Share. The escrowed proceeds derived from the Subscription Receipt Financing, less the fees paid to the Agents in connection with the Agents' services rendered in connection with the Subscription Receipt Financing and other applicable deductions, were released in accordance with the provisions of the subscription receipt agreement that governed the Subscription Receipts.

During the year ended September 30, 2024, the Company completed the acquisition for the controlling interest of 50.1% of HCS. See Note 10.

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SHARE PURCHASE WARRANTS

On November 9, 2022, Hempalta granted 206,964 warrants to a service provider to purchase up to 206,964 common shares, at an exercise price of \$0.15 per share, exercisable on or before November 9, 2027. The warrants vested and are exercisable as of the grant date.

On January 25, 2023, Hempalta granted 150,000 warrants to a service provider to purchase up to 150,000 common shares, at an exercise price of \$0.15 per share, exercisable on or before January 25, 2026. The warrants vested and are exercisable as of the grant date.

On June 27, 2023, Hempalta granted 1,000,000 warrants, as part of the private placement financing, to purchase up to 1,000,000 common shares, at an exercise price of \$0.10 per share, exercisable on or before June 27, 2027. The warrants vested and are exercisable as of the grant date.

On July 31, 2023, Hempalta granted 625,000 warrants to a service provider to purchase up to 625,000 common shares, at an exercise price of \$0.20 per share, exercisable on or before July 31, 2025. The warrants vested and are exercisable as of the grant date.

On September 29, 2023, Hempalta granted 100,000 warrants to a service provider to purchase up to 100,000 common shares, at an exercise price of \$0.16 per share, exercisable on or before September 30, 2025. The warrants vested and are exercisable as of the grant date.

On January 19, 2024 Hempalta granted 154,859 Broker Warrants to purchase up to 154,859 common shares, at an exercise price of \$0.17 per share, exercisable on or before January 19, 2026.

A continuity of the share purchase warrants is summarized as follows:

	September 30, 2024		September 30, 2023	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Warrants outstanding, beginning balance	2,629,964	\$0.13	548,000	\$0.11
Issued November 9, 2022	-	-	206,964	\$0.15
Issued January 25, 2023	-	-	150,000	\$0.15
Issued June 27, 2023	-	-	1,000,000	\$0.10
Issued July 31, 2023	-	-	625,000	\$0.20
Issued September 30, 2023	-	-	100,000	\$0.16
Issued January 19, 2024	154,859	\$0.17	-	-
Warrants outstanding, ending balance	2,784,823	\$0.14	2,629,964	\$0.13

As at September 30, 2024, the Company had outstanding warrants as follows:

Expiry date	Exercise price	Remaining life (years)	Number of warrants outstanding	Number of warrants exercisable
February 7, 2025	\$0.10	0.36	468,000	468,000
July 31, 2025	\$0.20	0.83	625,000	625,000
August 8, 2025	\$0.15	0.85	80,000	80,000
September 30, 2025	\$0.16	1.00	100,000	100,000
January 19, 2026	\$0.17	1.30	154,859	154,859
January 25, 2026	\$0.15	1.32	150,000	150,000
June 27, 2027	\$0.10	2.74	1,000,000	1,000,000
November 9, 2027	\$0.15	3.11	206,964	206,964
	\$0.14	1.67	2,784,823	2,784,823

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STOCK OPTIONS

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares.

On February 7, 2022, Hempalta granted 2,725,000 stock options to directors and employees to purchase up to 2,725,000 common shares, at an exercise price of \$0.10 per share, exercisable on or before February 7, 2027. The options will vest over a 36-month period, in 12 month increments with ¼ vesting upon issuance.

On March 9, 2022, Hempalta granted 250,000 stock options to directors and employees to purchase up to 250,000 common shares, at an exercise price of \$0.10 per share, exercisable on or before March 9, 2027. The options will vest over a 36-month period, in 12 month increments with ¼ vesting upon issuance.

On August 8, 2022, Hempalta granted 200,000 stock options to an employee to purchase up to 200,000 common shares, at an exercise price of \$0.15 per share, exercisable on or before August 8, 2027. The options will vest over a 36-month period, in 12 month increments with ¼ vesting upon issuance.

On January 25, 2023, Hempalta granted 2,075,000 stock options to an employee to purchase up to 2,075,000 common shares, at an exercise price of \$0.15 per share, exercisable on or before January 25, 2028. The options will vest over a 36-month period, in 12 month increments with ¼ vesting upon issuance.

On August 2, 2023, Hempalta granted 100,000 stock options to an employee to purchase up to 100,000 common shares, at an exercise price of \$0.16 per share, exercisable on or before August 2, 2028. The options will vest over a 36-month period, in 12 month increments with ¼ vesting upon issuance.

On October 3, 2023, Hempalta granted 325,000 stock options to an employee to purchase up to 325,000 common shares, at an exercise price of \$0.16 per share, exercisable on or before October 3, 2028. The options will vest over a 36-month period, in 12 month increments with ¼ vesting upon issuance.

On June 24, 2024, the Company granted 1,825,000 stock options to employees to purchase up to 1,825,000 common shares, at an exercise price of \$0.17 per share, exercisable on or before June 20, 2029. The options will vest over a 36-month period, in 12 month increments with ¼ vesting upon issuance.

A summary of the Company's stock option transactions is presented below:

	September 30, 2024		September 30, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning balance	4,375,000	\$0.13	2,900,000	\$0.10
Granted	2,150,000	\$0.17	2,175,000	\$0.15
Options from Qualifying Transaction	2,352,941	\$0.13	-	-
Exercised	-	-	(50,000)	\$0.10
Cancelled/Expired	(950,000)	\$0.13	(650,000)	\$0.12
Options outstanding, ending balance	7,927,941	\$0.14	4,375,000	\$0.13
Number of options exercisable	5,052,941	\$0.13	1,643,750	\$0.12

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The share options outstanding as at September 30, 2024, are as follows:

Grant date	Number of options outstanding	Exercise price	Expiry date	Number of options exercisable	Remaining life (years)
October 1, 2021	1,176,471	\$0.09	October 1, 2031	1,176,471	7.01
January 21, 2022	1,176,470	\$0.17	January 21, 2032	1,176,470	7.31
February 7, 2022	1,550,000	\$0.10	February 7, 2027	1,162,500	2.36
March 9, 2022	250,000	\$0.10	March 9, 2027	187,500	2.44
January 25, 2023	1,525,000	\$0.15	January 25, 2028	762,500	3.32
August 2, 2023	100,000	\$0.16	August 2, 2028	50,000	3.84
October 3, 2023	325,000	\$0.16	October 3, 2028	81,250	4.01
June 24, 2024	1,825,000	\$0.17	June 24, 2029	456,250	4.73
	7,927,941	\$0.14		5,052,941	4.60

CONTRIBUTED SURPLUS

The Contributed Surplus account records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

The Company recognized \$142,061 in share-based compensation on options and warrants during the year ended September 30, 2024 (2023 - \$224,520).

15. GENERAL AND ADMINISTRATIVE COSTS

The following table provides a breakdown of general and administrative expense:

Years ended,	September 30, 2024	September 30, 2023
Accounting and legal	\$ 420,169	\$ 89,323
Advertising and marketing	222,448	182,824
Bank service charges	1,433	7,197
Office and sundry	191,927	119,936
Salaries and benefits	1,317,398	983,732
Travel and business development	28,244	19,897
Gross general and administrative costs	\$ 2,181,619	\$ 1,402,909
Costs transferred to cost of goods sold and inventory	(506,858)	(412,893)
Net general and administrative costs	\$ 1,674,761	\$ 990,016

Included in salaries and wages is the management fee charged by the non-controlling interest of HCS in the amount of \$120,136 for the year ended September 30, 2024 (2023 - \$nil).

16. GOVERNMENT GRANT

During the year ended September 30, 2024, the Company received \$13,634 (2023 - \$99,977), in government grants from the Alberta Government as per Alberta Jobs Now Program. This grant program covers 25% of eligible new hires salaries for the first 52 weeks of their employment.

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17. RELATED PARTY TRANSACTIONS

KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Expenses related to key management personnel are comprised of:

Years ended,	September 30, 2024	September 30, 2023
Salaries and benefits	\$ 219,000	\$ 90,000
Share-based compensation	45,262	82,122
	\$ 264,262	\$ 172,122

Included in accounts payable and accrued liabilities is \$nil (2023 - \$91,047) due to the Chief Executive Officer and Director of the Company.

18. SEGMENTED INFORMATION

An operating segment is defined as a component of the Company that:

- Engages in business activities from which it may earn revenues and incur expenses;
- Whose operating results are reviewed regularly by the Company's chief operating decision maker; and
- For which separate financial information is available.

For the year ended September 30, 2024, the Company's one significant operating segment is Hempalta. "Others" consists primarily of the Company's corporate assets and liabilities and HCS which is not a significant operating segment.

Revenue reported below represents revenue generated from external customers. The accounting policies of the reportable segments are the same as the group's accounting policies.

Year ended September 30, 2024	Hempalta	Others	Total
PRODUCT SALES	\$ 527,976	\$ 11,751	\$ 539,727
COST OF SALES	885,204	-	885,204
GROSS PROFIT (LOSS)	(357,228)	11,751	(345,477)
EXPENSES			
Amortization	430,797	-	430,797
Financing costs	139,986	-	139,986
General and administrative costs	1,215,855	458,906	1,674,761
Share based compensation	101,773	40,288	142,061
	1,888,411	499,194	2,387,605
OTHER INCOME (EXPENSES)			
Other income	19,765	50,676	70,441
Government grant	13,634	-	13,634
Goodwill impairment	-	(2,044,062)	(2,044,062)
Listing costs	-	(1,803,989)	(1,803,989)
Net loss and comprehensive loss	\$ (2,212,240)	\$ (4,284,818)	\$ (6,497,058)

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Year ended September 30, 2024	Hempalta		Others		Total
Property, plant and equipment	\$	2,357,202	\$	-	\$ 2,357,202
Right-of-use assets	\$	949,457	\$	-	\$ 949,457
Intangible assets	\$	398,862	\$	90,000	\$ 488,862
Total assets	\$	4,444,223	\$	744,755	\$ 5,188,978
Total liabilities	\$	1,787,959	\$	212,176	\$ 2,000,135

For the year ended September 30, 2023, Hempalta was the only segment.

19. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity, long-term debt and leases. The Company manages its capital structure and makes adjustments based on the funds available to support the development of its operations. The board of directors has not established quantitative return on capital criteria for management and relies on the expertise of management to sustain future development of the business.

The Company is dependent upon external financing to fund its activities. To continue to carry out the Company's planned development and funding of ongoing administrative expenses the Company will utilize its existing working capital and will raise additional capital as appropriate.

The management and board of directors of the Company review its capital management approach on an ongoing basis and believe it reflects a reasonable approach given the relative size of the Company's assets.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are measured at amortized cost or fair value. Fair value represents the estimated amounts at which financial instruments could be exchanged between knowledgeable and willing parties in an arm's length transaction. Determining fair value requires management judgement.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The Company uses quoted market prices when available to estimate fair value. Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Management's judgement as to the significance of a particular input may affect placement within the fair value hierarchy levels.

The fair value hierarchy is as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

The valuation methods used to determine the fair value of each financial instrument and its associated level in the fair value hierarchy is described below.

Financial Instruments	Fair Value Method
Cash, accounts receivable, and accounts payable and accrued liabilities	Measured initially at fair value, then at amortized cost after initial recognition. Fair value approximates carrying value due to their short-term nature. (Level 1)
Long-term debt	Measured initially at fair value, then at amortized cost after initial recognition using the effective interest method. Fair value is determined using discounted cash flows at the current market interest rate. (Level 2)

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Market risk

The Company's activities expose it to a variety of market risks, including foreign currency risk, interest rate risk, credit risk, and liquidity risk.

Management has overall responsibility for the establishment of risk management strategies and objectives. The Company's risk management policies are established to identify the risks faced, to set appropriate risk limits, and to monitor adherence to risk limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has limited foreign currency transactions and management is of the opinion that the foreign currency risk is low and is not material.

Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk, as the Company's long-term debt has a fixed interest rate.

Credit risk

The Company is exposed to credit risk if a customer or counterparty fails to meet its contractual obligations. The maximum credit risk that the Company is exposed to is the carrying value of cash and accounts receivable.

At September 30, 2024, two customers accounted for 83% of accounts receivable (2023 - 69%).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity risk is managed through cash, debt and equity management strategies, when available.

The table below summarizes the Company's contractual obligations as at September 30, 2024:

	Recognized in		Less than	2-3	4-5	More than
September 30, 2024	Financial Statements	Total	1 year	years	years	5 years
Accounts payable and accrued liabilities (1)	Yes-Liability	142,910	142,910	-	-	-
Long-term debt	Yes-Liability	678,106	197,473	480,633	-	-
Minimum lease payments	Yes-Liability	1,135,856	192,000	340,528	350,799	252,529
Interest payable on long term debt	No	46,891	26,553	20,338	-	-
September 30, 2023						
Accounts payable and accrued liabilities (1)	Yes-Liability	223,027	223,027	-	-	-
Note payable	Yes-Liability	300,000	300,000	-	-	-
Long-term debt	Yes-Liability	867,464	191,653	404,011	271,800	-
Minimum lease payments	Yes-Liability	1,327,856	192,000	367,984	337,087	430,785
Interest payable (2)	No	82,645	35,715	44,042	2,888	-

1) Excludes interest payable on long-term debt

2) Excludes interest payable on lease liabilities

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21. DEFERRED TAX

A reconciliation of income tax expense (recovery) at statutory rates with the reported income taxes (recovered) is as follows:

	September 30, 2024	September 30, 2023
Loss before income taxes	\$ (6,497,058)	\$ (1,842,734)
Combined statutory tax rate	23%	23%
Expected tax/(recovery) at statutory rate	(1,494,323)	(423,829)
Non-deductible items and other	878,103	33,329
Change in unrecognized deferred tax asset	616,220	390,500
	\$ -	\$ -

The components of the net deferred tax asset are as follows:

	September 30, 2024	September 30, 2023
Intangible assets	\$ 22,398	\$ 12,522
Equipment	(393,984)	(424,519)
Non-capital losses	1,757,378	1,102,892
Lease liabilities	8,064	6,234
Share issue costs	(93,387)	20,387
Total deferred tax asset	1,300,469	717,516
Valuation allowance	(1,300,469)	(717,516)
Deferred taxes	\$ -	\$ -

Estimated unrecognized deductible temporary (taxable) differences (tax pools) are as follows:

	September 30, 2024	September 30, 2023
Non-capital losses	\$ 7,640,776	\$ 4,795,182
Share issuance costs	406,029	88,643
Capital cost allowance	1,140,472	586,421
	\$ 9,187,277	\$ 5,470,246

As at September 30, 2024, the Corporation had accumulated Canadian non-capital losses of \$7,640,776 expiring between 2042 and 2044.

22. SUBSEQUENT EVENTS

Subsequent to the year end, the Company acquired the balance of the shares in HCS for \$90,000. As part of the agreement, it was determined that amounts owing from HCS to Climafi would be assigned to the Company.



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