

# **Burcon NutraScience Corporation**

Condensed Consolidated Interim Financial Statements

**Three months ended June 30, 2024 and 2023**

(Unaudited)

(In Canadian dollars)

## **Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements**

The accompanying unaudited condensed consolidated interim financial statements of Burcon NutraScience Corporation for the interim period ended June 30, 2024 have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. These unaudited condensed consolidated interim financial statements have not been reviewed by an auditor in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**BURCON NUTRASCIENCE CORPORATION**  
Condensed Consolidated Interim Statements of Financial Position  
(Unaudited)  
**As at June 30, 2024 and March 31, 2024**

(In Canadian dollars)

	<b>June 30, 2024</b>	<b>March 31, 2024</b>
<b>ASSETS</b>		
Current assets		
Cash	2,162,819	4,197,141
Amounts receivable and other receivables (note 4)	409,853	591,726
Inventory (note 5)	31,419	68,319
Prepaid expenses and deposits	462,807	330,033
	<u>3,066,898</u>	<u>5,187,219</u>
Property and equipment, net of accumulated depreciation of \$4,777,478 (March 31, 2024 - \$4,709,554)	991,493	1,096,273
Deferred development costs, net of accumulated amortization of \$1,053,754 (March 31, 2024 - \$948,379)	5,268,774	5,374,149
Goodwill	1,254,930	1,254,930
	<u>10,582,095</u>	<u>12,912,571</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	537,963	843,449
Current portion of lease liabilities	7,059	260,845
Deferred government assistance	-	250,000
	<u>545,022</u>	<u>1,354,294</u>
Secured loan (note 6)	6,548,346	6,404,778
	<u>7,093,368</u>	<u>7,759,072</u>
<b>SHAREHOLDERS' EQUITY (note 7)</b>		
Capital stock	122,077,701	122,069,825
Contributed surplus	17,396,313	17,283,934
Options	7,407,576	7,436,262
Warrants	349,701	237,201
Restricted share units	173,206	172,776
Deficit	(143,915,770)	(142,046,499)
	<u>3,488,727</u>	<u>5,153,499</u>
	<u>10,582,095</u>	<u>12,912,571</u>

Going concern (note 1)

Subsequent events (notes 4 and 7)

Approved by the Audit Committee of the Board of Directors

“Alfred Lau”

Director

“Peter Kappel”

Director

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

**BURCON NUTRASCIENCE CORPORATION**Condensed Consolidated Interim Statements of Operations and Comprehensive Loss  
(Unaudited)**For the three months ended June 30, 2024 and 2023**

(In Canadian dollars)

	<b>2024</b>	<b>2023</b>
Revenue	236,617	-
Cost of sales (note 8)	212,294	-
<b>GROSS MARGIN</b>	<u>24,323</u>	-
Research and development (note 9)	683,667	936,370
General and administrative (note 10)	<u>1,103,708</u>	<u>836,560</u>
<b>LOSS FROM OPERATIONS</b>	(1,763,052)	(1,772,930)
INTEREST AND OTHER INCOME	29,417	27,379
INTEREST AND OTHER EXPENSE (note 6)	(155,067)	(130,974)
FOREIGN EXCHANGE GAIN (LOSS)	<u>19,431</u>	<u>(35,558)</u>
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(1,869,271)</u>	<u>(1,912,083)</u>
<b>BASIC AND DILUTED LOSS PER SHARE</b> (note 11)	<u>(0.01)</u>	<u>(0.02)</u>

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

**BURCON NUTRASCIENCE CORPORATION**

## Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited)

**For the three months ended June 30, 2024 and 2023**

(In Canadian dollars, except share amounts)

	Number of fully paid common shares	Capital stock	Contributed surplus	Options	Warrants	Restricted share units	Deficit	Total shareholders' equity
Balance – March 31, 2023	108,728,742	114,566,577	16,763,830	7,279,559	-	127,651	(134,600,306)	4,137,311
Loss and comprehensive loss for the period	-	-	-	-	-	-	(1,912,083)	(1,912,083)
Private placement	12,880,829	3,181,093	-	-	232,327	-	-	3,413,420
Issue costs	-	(51,428)	-	-	(3,755)	-	-	(55,183)
Options forfeited	-	-	66,923	(66,923)	-	-	-	-
Restricted share units redeemed	45,520	21,999	-	-	-	(19,654)	-	2,345
Stock-based compensation	-	-	-	169,199	-	47,499	-	216,698
Balance – June 30, 2023	121,655,091	117,718,241	16,830,753	7,381,835	228,572	155,496	(136,512,389)	5,802,508
Balance – March 31, 2024	142,088,933	122,069,825	17,283,934	7,436,262	237,201	172,776	(142,046,499)	5,153,499
Loss and comprehensive loss for the period	-	-	-	-	-	-	(1,869,271)	(1,869,271)
Options forfeited	-	-	112,379	(112,379)	-	-	-	-
Restricted share units redeemed	9,163	7,876	-	-	-	(7,876)	-	-
Stock-based compensation	-	-	-	83,693	112,500	8,306	-	204,499
Balance – June 30, 2024	142,098,096	122,077,701	17,396,313	7,407,576	349,701	173,206	(143,915,770)	3,488,727

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

**BURCON NUTRASCIENCE CORPORATION**  
Condensed Consolidated Interim Statements of Cash Flows  
(Unaudited)  
**For the three months ended June 30, 2024 and 2023**

(In Canadian dollars)

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	(1,869,271)	(1,912,083)
Items not affecting cash		
Depreciation of property and equipment	67,924	56,016
Amortization of deferred development costs	105,375	105,375
Unrealized foreign exchange (gain) loss	(21,454)	27,417
Interest expense on secured loan	143,568	112,232
Interest expense on lease liabilities	11,498	18,742
Stock-based compensation expense	204,499	216,698
	<u>(1,357,861)</u>	<u>(1,375,603)</u>
Changes in non-cash working capital items		
Amounts receivable and other receivables	166,848	162,838
Inventory	36,900	-
Prepaid expenses and deposits	(132,774)	(50,364)
Accounts payable and accrued liabilities	(266,985)	82,578
Deferred government assistance	(250,000)	-
	<u>(1,803,872)</u>	<u>(1,180,551)</u>
Interest income	(29,417)	(27,219)
Interest expense paid on lease liabilities	(11,498)	(18,742)
Net cash used in operating activities	<u>(1,844,787)</u>	<u>(1,226,512)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	29,417	27,219
Acquisition of property and equipment	(174,832)	(23,132)
	<u>(145,415)</u>	<u>4,087</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of capital stock and warrants	-	3,413,420
Issue costs	(21,903)	(44,905)
Reduction of lease liabilities	(43,671)	(3,632)
	<u>(65,574)</u>	<u>3,364,883</u>
<b>FOREIGN EXCHANGE GAIN (LOSS) ON CASH</b>	<u>21,454</u>	<u>(27,417)</u>
<b>(DECREASE) INCREASE IN CASH</b>	<u>(2,034,322)</u>	<u>2,115,041</u>
<b>CASH – BEGINNING OF PERIOD</b>	<u>4,197,141</u>	<u>1,456,845</u>
<b>CASH – END OF PERIOD</b>	<u><u>2,162,819</u></u>	<u><u>3,571,886</u></u>

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

# **BURCON NUTRASCIENCE CORPORATION**

## **NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **For the three months ended June 30, 2024 and 2023**

(Unaudited)

(In Canadian dollars)

#### **1. Going concern**

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assumes that Burcon NutraScience Corporation (“Burcon” or the “Company”) will continue its operations and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations for the foreseeable future. In assessing whether the going concern assumption is appropriate and whether there are material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern, management considers all available information and actions within its control with respect to the future which is at least, but not limited to, twelve months from the end of the reporting period.

The Company has incurred losses since its inception and as at June 30, 2024, had an accumulated deficit of \$143.9 million (March 31, 2024 - \$142.0 million). During the three months ended June 30, 2024, the Company incurred a net loss of \$1.9 million (2023 - \$1.9 million) and had negative cash flow from operations of \$1.8 million (2023 - \$1.2 million).

The Company began commercial production of its hemp protein isolate in the year ended March 31, 2024, and subsequent to June 30, 2024, the Company began commercial production of its canola protein isolate. During the three months ended June 30, 2024, the Company generated revenue from the sale of hemp protein isolate and from the provision of contract research services. The Company has not earned significant revenues from its technologies.

The Company’s ability to continue as a going concern is dependent upon the Company’s ability to successfully commercialize its technologies, scale production and raise additional capital to fund its planned commercialization and research and development activities. The Company has historically relied on equity and debt financing to fund its operations. While the Company is considering various financing options for its short-term and long-term liquidity requirements to maintain its operations and fund its commercialization and research and development activities, there can be no assurance that additional financing may be available on acceptable terms, if at all. If Burcon is unable to raise additional funds when it needs them, it may be required to delay, reduce or eliminate some or all of its commercialization efforts or research and development programs. Therefore, these conditions result in material uncertainties that may cast significant doubt over the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the normal course. These condensed consolidated interim financial statements do not reflect adjustments to the carrying values of assets and liabilities that would be necessary if the Company was unable to continue as a going concern and such adjustments could be material.

# **BURCON NUTRASCIENCE CORPORATION**

## **NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **For the three months ended June 30, 2024 and 2023**

(Unaudited)

(In Canadian dollars)

#### **2. Nature of operations**

Burcon is headquartered in Vancouver, British Columbia, Canada.

Burcon is a plant protein technology company that has developed high purity and functional proteins for foods and beverages derived from pea, canola, soy, hemp, sunflower seeds, among other plant sources. The Company has an extensive portfolio of composition, application and process patents covering its technologies.

#### **3. Material accounting policies**

##### **Basis of presentation**

These condensed consolidated interim financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting, on a basis consistent with those accounting policies followed in the most recent annual consolidated financial statements.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and, as such, should be read in conjunction with the Company’s consolidated annual financial statements for the year ended March 31, 2024.

The condensed consolidated interim financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on August 12, 2024.

##### **Principles of consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiary. All material intercompany transactions and balances have been eliminated on consolidation.

A subsidiary is an entity in which the Company has control, directly or indirectly. Under IFRS Accounting Standards 10, an investor controls an investee if and only if the investor has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries are included in the consolidated financial statements on the date on which control commences until the date on which control ceases. When control over a subsidiary is lost, the assets and liabilities of the subsidiary are derecognized. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.



**BURCON NUTRASCIENCE CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three months ended June 30, 2024 and 2023**  
(Unaudited)  
(In Canadian dollars)

Details of the Company’s subsidiary as at June 30, 2024 is as follows:

	<b>Place of incorporation</b>	<b>Interest %</b>	<b>Principal activity</b>
Burcon NutraScience (MB) Corp.	Manitoba, Canada	100	Research and development

**Revenue recognition**

The Company has multiple revenue streams and revenue is recognized in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

- Revenue from the sale of protein isolate is recorded at the point of sale, when the customer assumes control of the products as defined in the terms of agreement with the customer.
- Revenue associated with contract research services are recognized when the services are rendered.
- Revenue earned from licensing agreements that grant third parties rights to use the Company’s technologies are earned based on sales made by the licensee.

**Newly adopted accounting standards and amendments**

*Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current*

The amendment clarifies the classification requirements to determine if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing or recognition. The amendment was adopted on April 1, 2024 with retrospective application and the adoption did not have a significant impact on the consolidated financial statements.

**4. Protein Industries Canada**

Protein Industries Canada (“PIC”) is an industry-led, not-for-profit organization committed to positioning Canada as a global source of high-quality plant protein ingredients.

During the year ended March 31, 2024, Burcon entered into a collaborative agreement with PIC for the commercialization of hempseed and sunflower seed protein.

During the three months ended June 30, 2024, Burcon recorded PIC grants of \$339,832 (2023 - \$nil) as government assistance against research and development expenses, general and administrative expenses, inventory, and property and equipment, of which \$89,832 is included in amounts

# BURCON NUTRASCIENCE CORPORATION

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### For the three months ended June 30, 2024 and 2023

(Unaudited)

(In Canadian dollars)

receivable (March 31, 2024 - \$457,118). As at June 30, 2024, Burcon had received \$nil in advance payments in respect of eligible expenses to be incurred in subsequent periods, which is recognized as deferred government assistance (March 31, 2024 - \$250,000).

Subsequent to June 30, 2024, Burcon received \$235,000 in advance payments in respect of eligible expenses to be incurred in subsequent periods.

#### 5. Inventory

	2024	2023
Protein isolate	-	52,350
Raw materials	31,419	15,969
Balance – end of period	<u>31,419</u>	<u>68,319</u>

#### 6. Secured Loan

As at June 30, 2024, the principal amount outstanding from the first tranche of the Secured Loan is \$5.0 million (March 31, 2024 - \$5.0 million) and from the second tranche of the Secured Loan is \$1.0 million (March 31, 2024 - \$1.0 million). Refer to Note 14 for discussion of the related party nature of the Secured Loan.

	<b>Three months ended June 30, 2024</b>	<b>Year ended March 31, 2024</b>
Balance, beginning of period	6,404,778	5,112,381
Draw downs	-	1,000,000
Debt issue costs	-	(50,000)
Interest expense accreted	143,568	342,397
Balance, end of period	<u>6,548,346</u>	<u>6,404,778</u>

# BURCON NUTRASCIENCE CORPORATION

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### For the three months ended June 30, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 7. Shareholders' equity

##### (a) Options

The Company has a stock option plan in which all directors, officers, employees and consultants of the Company and its subsidiaries are eligible to participate.

As at June 30, 2024, an additional 4,611,911 (March 31, 2024 – 4,518,962) options may be granted in future years under this plan.

	<u>Three months ended June 30, 2024</u>	
	Number of options	Weighted average exercise price \$
Outstanding - Beginning of period	9,689,931	1.35
Granted	5,000	0.23
Forfeited / cancelled	(97,032)	1.87
Expired	-	-
Outstanding - End of period	<u>9,597,899</u>	<u>1.35</u>

The following table summarizes information about stock options outstanding and exercisable at June 30, 2024:

Range of exercise prices \$	<u>Options Outstanding</u>			<u>Options exercisable</u>	
	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number exercisable	Weighted average exercise price \$
0.13 – 0.70	4,844,667	5.0	0.27	2,306,325	0.29
1.00 – 3.00	3,752,232	4.7	2.00	2,659,889	2.06
4.01 – 4.89	<u>1,001,000</u>	3.7	4.09	<u>1,001,000</u>	4.08
	<u>9,597,899</u>	4.7	1.35	<u>5,967,214</u>	1.72

# BURCON NUTRASCIENCE CORPORATION

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### For the three months ended June 30, 2024 and 2023

(Unaudited)

(In Canadian dollars)

The fair value of each option is estimated as at the date of grant or other measurement date using the Black-Scholes option pricing model and the following weighted average assumptions:

	<b>Three months ended June 30, 2024</b>
Exercise price	\$0.23
Share price	\$0.23
Dividend yield	0.0%
Expected volatility	78.0%
Risk-free interest rate	3.4%
Expected forfeitures	5.6%
Expected average option term (years)	8.0

The weighted average fair value of the options granted during the three months ended June 30, 2024 was \$0.18 per option.

For the three months ended June 30, 2024, included in research and development expenses (salaries and benefits) is \$20,133 (2023 - \$79,246) (note 9) of stock-based compensation and included in general and administrative expenses (salaries and benefits and professional fees) is \$63,560 (2023 - \$89,953) (note 10), of stock-based compensation.

Subsequent to June 30, 2024, 105,000 options were granted at a weighted average exercise price of \$0.22.

#### (b) Restricted Share Unit (“RSU”) Plan

The Company has an RSU plan in which all directors, officers, employees and consultants of the Company and its subsidiaries are eligible to participate.

(number of RSUs)	<b>Three months ended June 30, 2024</b>
Outstanding – beginning of period	341,000
Granted	-
Redeemed	(9,163)
Forfeited / cancelled	(8,837)
Outstanding – end of period	<u>323,000</u>

RSUs are measured at fair value based on the closing price of our common shares for the day preceding the date of the grant. No RSUs were granted during the three months ended June 30, 2024.

# BURCON NUTRASCIENCE CORPORATION

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### For the three months ended June 30, 2024 and 2023

(Unaudited)

(In Canadian dollars)

For the three months ended June 30, 2024, included in research and development expenses is \$7,000 (2023 - \$37,294) (note 9) and in general and administrative expenses (salaries and benefits) is \$1,306 (2023 - \$10,206) (note 10) of RSU stock-based compensation.

#### (c) Warrants

Included in general and administrative expenses (professional fees) is \$112,500 (2023 - \$nil) (note 10) of stock-based compensation from warrants issued to a related party (refer to note 14).

### 8. Cost of Sales

	2024	2023
Cost of product	189,320	-
Salaries and benefits	19,639	-
Laboratory operation	3,335	-
Cost of sales	<u>212,294</u>	-

### 9. Research and development

	2024	2023
Salaries and benefits	410,507	498,691
Intellectual property	92,342	163,315
Amortization of deferred development costs	105,375	105,375
Laboratory operation	86,079	77,748
Depreciation of property and equipment	53,632	48,320
Rent	30,001	28,867
Analyses and testing	45,873	14,054
	<u>823,809</u>	<u>936,370</u>
Government assistance (note 4)	(140,142)	-
Research and development expenses	<u>683,667</u>	<u>936,370</u>

### 10. General and administrative

	2024	2023
Salaries and benefits	406,224	540,778
Professional fees	377,500	166,366
Office supplies and services	70,420	62,313
Travel and meals	38,672	27,136
Transfer agent and filing fees	16,190	17,843
Investor relations	186,268	13,721
Other	9,343	8,403
	<u>1,104,617</u>	<u>836,560</u>
Government assistance (note 4)	(909)	-
General and administrative expenses	<u>1,103,708</u>	<u>836,560</u>

# BURCON NUTRASCIENCE CORPORATION

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### For the three months ended June 30, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 11. Basic and diluted loss per share

The following table sets forth the computation of basic and diluted loss per share:

	2024	2023
Loss for the period, being loss attributable to common shareholders – basic and diluted	<u>(1,869,271)</u>	<u>(1,912,083)</u>
	Shares	Shares
Weighted average common shares - basic and diluted	<u>142,091,347</u>	<u>115,992,567</u>
Basic and diluted loss per share	<u>(0.01)</u>	<u>(0.02)</u>

For the three months ended June 30, 2024 and 2023, the Company excluded all potential common share equivalents from the diluted loss per share calculation as they were anti-dilutive.

#### 12. Key management compensation

Key management personnel (“KMP”) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. KMP includes the Company’s CEO, CFO and directors. Remuneration of KMP comprises:

	2024	2023
Short-term benefits	262,960	237,126
Option-based awards	<u>32,100</u>	<u>54,123</u>
	<u>295,060</u>	<u>291,249</u>

Short-term benefits comprise salaries, professional fees, director fees and employment benefits.

# BURCON NUTRASCIENCE CORPORATION

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended June 30, 2024 and 2023

(Unaudited)

(In Canadian dollars)

### 13. Financial instruments

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through the management of its capital structure. It also manages liquidity risk by monitoring actual and forecasted cash flows taking into account current and planned operations.

The contractual cash flows of Secured Loan include accrued interest expense payable.

<b>June 30, 2024</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>1 year</b>	<b>2 years</b>	<b>3-5 years</b>
Accounts payable and accrued liabilities	537,963	537,963	537,963	-	-
Lease liabilities	7,059	144,105	37,189	36,468	70,448
Secured loan	6,548,346	6,693,041	-	6,693,041	-
	<b>7,093,368</b>	<b>7,375,109</b>	<b>575,152</b>	<b>6,729,509</b>	<b>70,448</b>

<b>March 31, 2024</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>1 year</b>	<b>2 years</b>	<b>3-5 years</b>
Accounts payable and accrued liabilities	843,449	843,449	843,449	-	-
Lease liabilities	260,845	273,093	273,093	-	-
Secured loan	6,404,778	6,573,370	-	6,573,370	-
	<b>7,509,072</b>	<b>7,689,912</b>	<b>1,116,542</b>	<b>6,573,370</b>	<b>-</b>

During the three months ended June 30, 2024, the Company entered into a new lease for which the lease obligation is not included in the carrying amount as the lease commences on July 1, 2024.

#### Fair value

The fair value of the Company's short-term financial assets and financial liabilities, including cash, amounts receivable, accounts payable and accrued liabilities approximates their carrying values due to the short-term maturities of these financial instruments.

**BURCON NUTRASCIENCE CORPORATION**  
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
**For the three months ended June 30, 2024 and 2023**  
(Unaudited)  
(In Canadian dollars)

The carrying values and fair values of financial instruments, by class, are as follows:

	<b>At fair value through profit or loss</b>	<b>Financial assets at amortized cost</b>	<b>Financial liabilities at amortized cost</b>	<b>Fair value</b>
<b>As at June 30, 2024</b>				
<b>Financial assets</b>				
Cash	-	2,162,819	-	2,162,819
Amounts receivable	-	266,973	-	266,973
	-	2,429,792	-	2,429,792
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	-	-	537,963	547,963
Secured loan	-	-	6,548,346	6,548,346
	-	-	7,086,309	7,086,309
<b>As at March 31, 2024</b>				
<b>Financial assets</b>				
Cash	-	4,197,141	-	4,197,141
Amounts receivable	-	465,330	-	465,330
	-	4,662,471	-	4,662,471
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	-	-	843,449	843,449
Secured loan	-	-	6,404,778	6,404,778
	-	-	7,248,227	7,248,227

**14. Related party transactions**

In June 2022, Burcon entered into a loan agreement with Large Scale Investments Limited, a wholly-owned subsidiary of Firewood Elite Limited (“Firewood”), for a secured loan of up to \$10 million that would be made available to Burcon in two tranches of \$5 million. Firewood, a related party of Burcon that has significant influence over the Company, is wholly-owned by Mr. Alan Chan, a director of the Company. Refer to Note 6.

In March 2024, the Company entered into a one-year consulting agreement with a director of the Company for the provision of financial and strategic advisory services. As compensation of the services, the Company issued 5,000,000 warrants (“Consultant Warrants”) which are exercisable to acquire one common share at an exercise price of \$0.27 up to June 25, 2026. Vesting of the



# **BURCON NUTRASCIENCE CORPORATION**

## **NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **For the three months ended June 30, 2024 and 2023**

(Unaudited)

(In Canadian dollars)

Consultant Warrants are subject to shareholder approval, which will be sought at the Company's annual general meeting expected to be held in September 2024. If shareholder approval is not obtained, the Warrants will expire and the Company will pay a cash fee of \$450,000. Refer to Note 7 (c).

#### **15. Segment information**

The Company operates in a single reportable operating segment and geographic location involving the development of plant-based proteins. All non-current assets are located in Canada.

All revenues were generated in Canada.