UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: September 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________________ to ________________

Commission file number: 001-40991

BLUE STAR FOODS CORP.
(Exact name of registrant as specified in its charter)

Delaware	82-4270040
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

3000 NW 109th Avenue
Miami, Florida 33172
(Address of principal executive offices)

(305) 836-6858
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	BSFC	The NASDAQ Stock Market LLC (NASDAQ Capital Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated Filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 14, 2024, there were 7,934,270 shares of the registrant's common stock, par value $ 0.0001 per share, outstanding.

BLUE STAR FOODS CORP.

FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2024

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for historical information, this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements include, among others, those statements including the words "believes", "anticipates", "expects", "intends", "estimates", "plans" and words of similar import. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are based on our current expectations and assumptions regarding our business, potential target businesses, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. We caution you therefore that you should not rely on any of these forward-looking statements as statements of historical fact or as guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include changes in local, regional, national or global political, economic, business, competitive, market (supply and demand), regulatory conditions and the following:

- Our ability to raise capital when needed and on acceptable terms and conditions;
- Our ability to make acquisitions and integrate acquired businesses into our company;
- Our ability to attract and retain management with experience in the business of importing, packaging and selling of seafood;
- Our ability to negotiate, finalize and maintain economically feasible agreements with suppliers and customers;
- The availability of crab meat and other premium seafood products we sell;

- The intensity of competition;
- Changes in the political and regulatory environment and in business and fiscal conditions in the United States and overseas; and

A description of these and other risks and uncertainties that could affect our business appears in the section captioned "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 which we filed with the Securities and Exchange Commission ("SEC") on April 1, 2024. The risks and uncertainties described under "Risk Factors" are not exhaustive.

Given these uncertainties, readers of this Quarterly Report on Form 10-Q ("Quarterly Report") are cautioned not to place undue reliance on such forward-looking statements. We disclaim any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

All references in this Quarterly Report to the "Company", "we", "us", or "our", are to Blue Star Foods Corp., a Delaware corporation, and its consolidated subsidiaries, John Keeler & Co., Inc., d/b/a Blue Star Foods, a Florida corporation ("Keeler & Co."), and its wholly-owned subsidiary, Coastal Pride Seafood, LLC, a Florida limited liability company ("Coastal Pride") Taste of BC Aquafarms, Inc., a corporation formed under the laws of the Province of British Columbia, Canada ("TOBC "), and Afritex Ventures, Inc., a Florida corporation ("AFVFL").

All references to shares of common stock of the Company in this Quarterly Report have been adjusted to reflect the Company's 1:50 reverse stock split effective as of May 20, 2024 (the "Reverse Stock Split").

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States and the rules of the SEC, and should be read in conjunction with the audited financial statements and notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2023, as updated in subsequent filings we have made with the SEC. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the periods presented have been reflected herein. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

Blue Star Foods Corp.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	SEPTEMBER 30, 2024	DECEMBER 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 72,697	$ 24,163
Accounts receivable, net of allowances and credit losses of $66,160 and $31,064	1,316,093	534,195
Inventory, net	2,366,056	2,608,521
Advances to related party	-	95,525
Other current assets	1,697,407	833,472
Total Current Assets	5,452,253	4,095,876
RELATED PARTY LONG-TERM RECEIVABLE	435,545	435,545
FIXED ASSETS, net	393,798	303,857
RIGHT OF USE ASSET	97,286	125,014
ADVANCES TO RELATED PARTY	1,299,984	1,299,984
OTHER ASSETS	158,426	102,222
TOTAL ASSETS	$ 7,837,292	$ 6,362,498
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accruals	$ 836,849	$ 661,377
Customer refunds	42,317	189,975
Deferred income	-	47,819
Current maturities of lease liabilities	36,915	35,428
Current maturities of related party long-term notes	100,000	100,000
Loans payable	885,812	156,938
Related party notes payable - subordinated	-	165,620
Derivative liability	231,629	1,047,049
Warrants liability	-	1,574
Other current liabilities	790,881	790,881
Total Current Liabilities	2,924,403	3,196,661
LONG-TERM LIABILITIES		
Lease liability, net of current portion	60,371	89,586
Debt, net of current portion and discounts	127,199	481,329
TOTAL LIABILITIES	3,111,973	3,767,576
STOCKHOLDERS' EQUITY		
Series A 8% cumulative convertible preferred stock, $0.0001 par value; 10,000 shares authorized, 0 shares issued and outstanding as of September 30, 2024, and 0 shares issued and outstanding as of December 31, 2023	-	-
Common stock, $0.0001 par value, 100,000,000 shares authorized; 3,446,744 shares issued and outstanding as of September 30, 2024, and 461,722 shares issued and outstanding as of December 31, 2023	351	46
Additional paid-in capital	42,973,403	36,661,926
Accumulated other comprehensive loss	(101,171)	(179,995)
Accumulated deficit	(38,070,941)	(33,810,732)
Treasury stock, 151 shares as of September 30, 2024 and 151 shares as of December 31, 2023	(76,323)	(76,323)
TOTAL STOCKHOLDERS' EQUITY	4,725,319	2,594,922
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,837,292	$ 6,362,498

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

Blue Star Foods Corp.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
REVENUE, NET	$ 884,283	$ 1,561,679	$ 4,921,170	$ 5,115,680
COST OF REVENUE	887,850	1,586,478	4,459,458	4,775,102
GROSS PROFIT (LOSS)	(3,567)	(24,799)	461,712	340,578
COMMISSIONS	11,429	423	15,650	2,169
SALARIES AND WAGES	271,542	301,393	868,781	1,298,358
DEPRECIATION AND AMORTIZATION	1,535	2,754	4,211	33,091
OTHER OPERATING EXPENSES	631,722	410,913	2,026,787	1,773,702
LOSS FROM OPERATIONS	(919,795)	(740,282)	(2,453,717)	(2,766,742)
OTHER INCOME	18	(1,902)	49,680	25,292
INTEREST INCOME	-	16	-	40
LOSS ON SETTLEMENT OF DEBT	-	(144,169)	-	(977,188)
CHANGE IN FAIR VALUE OF DERIVATIVE AND WARRANT LIABILITIES	33,806	1,240,214	(210,680)	1,339,791
INTEREST EXPENSE	(439,176)	(799,690)	(1,645,492)	(1,470,143)
NET LOSS	(1,325,147)	(445,813)	(4,260,209)	(3,848,950)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (1,325,147)	$ (445,813)	$ (4,260,209)	$ (3,848,950)
COMPREHENSIVE LOSS:				
CHANGE IN FOREIGN CURRENCY TRANSLATION ADJUSTMENT	(17,998)	25,573	78,824	74,403
COMPREHENSIVE LOSS	$ (1,343,145)	$ (420,240)	$ (4,181,385)	$ (3,774,547)
Loss per common share:				
Net loss per common share - basis and diluted	$ (0.48)	$ (0.13)	$ (2.84)	$ (1.54)
Weighted average common shares outstanding - basic and diluted	2,749,904	3,437,050	1,498,890	2,503,628

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

Blue Star Foods Corp.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	Series A Preferred Stock $.0001 par value		Common Stock $.0001 par value						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
December 31, 2023	-	$ -	461,722	$ 46	$ 36,661,926	$ (33,810,732)	$ (179,995)	$ (76,323)	$ 2,594,922
Stock based compensation	-	-	-	-	8,800	-	-	-	8,800
Common stock issued for service	-	-	5,238	1	32,999	-	-	-	33,000
Common stock issued for note payment	-	-	15,000	2	68,318	-	-	-	68,320
Common stock issued for cash			226,656	23	836,337	-	-	-	836,360
Common stock issued for loan commitment fees	-	-	7,092	1	49,999	-	-	-	50,000
Net Loss	-	-	-	-	-	(1,093,095)	-	-	(1,093,095)
Cumulative translation adjustment	-	-	-	-	-	-	78,033	-	78,033
March 31, 2024	-	$ -	715,708	$ 73	$ 37,658,379	$ (34,903,827)	$ (101,962)	$ (76,323)	$ 2,576,340
Stock based compensation	-	-	-	-	(14,423)	-	-	-	(14,423)
Common stock issued for service	-	-	6,319	2	21,998	-	-	-	22,000
Common stock issued for note payment	-	-	426,831	44	1,684,707	-	-	-	1,684,751
Common stock issued for cash	-	-	1,113,000	113	2,145,942	-	-	-	2,146,055
Common stock issued for loan commitment fees	-	-	10,000	1	23,299	-	-	-	23,300
Net Loss	-	-	-	-	-	(1,841,967)	-	-	(1,841,967)
Cumulative translation adjustment	-	-	-	-	-	-	18,789	-	18,789
June 30, 2024	-	$ -	2,271,858	$ 233	$ 41,519,902	$ (36,745,794)	$ (83,173)	$ (76,323)	$ 4,614,845
Stock based compensation	-	-	-	-	4,306	-	-	-	4,306
Common stock issued for service	-	-	26,063	3	43,996	-	-	-	43,999
Common stock issued for note payment	-	-	129,700	13	419,490	-	-	-	419,503
Common stock issued for cash and exercise for warrants	-	-	979,823	98	940,125	-	-	-	940,223
Common stock issued for loan commitment fees	-	-	39,300	4	45,584	-	-	-	45,588
Net Loss	-	-	-	-	-	(1,325,147)	-	-	(1,325,147)
Cumulative translation adjustment	-	-	-	-	-	-	(17,998)	-	(17,998)
September 30, 2024	-	$ -	3,446,744	$ 351	$ 42,973,403	$ (38,070,941)	$ (101,171)	$ (76,323)	$ 4,725,319

	Series A Preferred Stock $.0001 par value		Common Stock $.0001 par value						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity (Deficit)
December 31, 2022	-	$ -	26,766	$ 2	$ 28,329,248	$ (29,339,120)	$ (235,853)	$ -	$ (1,245,723)
Stock based compensation	-	-	-	-	20,190	-	-	-	20,190
Common stock issued for service	-	-	66	0	23,000	-	-	-	23,000
Common stock issued for note payment	-	-	7,471	1	1,743,229	-	-	-	1,743,230
Common stock issued for cash	-	-	9,474	1	1,880,691	-	-	-	1,880,692
Repurchase of common stock	-	-	-	-	-	-	-	(76,323)	(76,323)
Net Loss	-	-	-	-	-	(1,951,402)	-	-	(1,951,402)
Cumulative translation adjustment	-	-	-	-	-	-	85,574	-	85,574
March 31, 2023	-	$ -	43,777	$ 4	$ 31,996,358	$ (31,290,522)	(150,279)	$ (76,323)	$ 479,238
Stock based compensation	-	-	-	-	16,940	-		-	16,940
Common stock issued for service	-	-	1,406	0	18,000	-		-	18,000
Common stock issued for note payment	-	-	8,142	0	758,588	-		-	758,588
Common stock issued for cash	-	-	1,000	0	200,000	-		-	200,000
Net Loss	-	-	-	-	-	(1,451,735)	-	-	(1,451,735)
Cumulative translation adjustment	-	-	-	-	-	-	(36,744)	-	(36,744)
June 30, 2023	-	$ -	54,325	$ 4	$ 32,989,886	$ (32,742,257)	$ (187,023)	$ (76,323)	$ (15,713)
Stock based compensation	-	-	-	-	17,588	-	-	-	17,588
Common stock issued for service	-	-	4,463	1	67,999	-	-	-	68,000
Common stock issued for note payment	-	-	11,971	1	551,268	-	-	-	551,269
Common stock issued for cash and exercise for warrants	-	-	48,640	5	281,384	-	-	-	281,389
Net Loss	-	-	-	-	-	(445,813)	-	-	(445,813)
Cumulative translation adjustment	-	-	-	-	-	-	25,573		25,573
September 30, 2023	-	$ -	119,399	$ 11	$ 33,908,125	$ (33,188,070)	$ (161,450)	$ (76,323)	$ 482,293

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

Blue Star Foods Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (4,260,209)	$ (3,848,950)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Stock based compensation	(1,317)	54,718
Common stock issued for service	99,000	109,000
Depreciation of fixed assets	4,211	3,223
Amortization of intangible assets	-	29,868
Amortization of debt discounts	1,042,707	732,395
Allowance for inventory obsolescence	714,900	-
Loss on settlement of debt	-	977,188
Lease expense	27,728	37,626
Credit loss expense	35,096	3,240
Change of fair value of derivative and warrant liabilities	210,680	(1,339,791)
Changes in operating assets and liabilities:		
Accounts receivables	(816,994)	657,222
Inventories	(472,435)	2,817,489
Advances to related parties	95,525	-
Other current assets	(863,936)	(1,428,578)
Right of use liability	(27,728)	(37,665)
Other assets	(52,853)	(25,000)
Accounts payable and accruals	127,653	(1,854,111)
Customer refunds	(147,658)	-
Net Cash (Used in) Operating Activities	(4,285,630)	(3,112,126)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(94,152)	(132,551)
Net Cash (Used in) Investing Activities	(94,152)	(132,551)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from common stock offering	3,922,638	1,854,086
Proceeds from sale of prefunded warrants	-	4,578,293
Proceeds from common stock warrants exercised	-	17,004
Proceeds from working capital line of credit	-	2,405,034
Proceeds from short-term loans	2,223,491	500,000
Proceeds from convertible debt	-	1,140,000
Repayments of working capital line of credit	-	(4,182,971)
Repayments of short-term loans	(1,630,491)	(436,154)
Principal payments of convertible debt	-	(2,007,435)
Repayments of related party notes payable	(165,620)	(124,161)
Purchase of treasury stock	-	(76,323)
Net Cash Provided by Financing Activities	4,350,018	3,667,373
Effect of Exchange Rate Changes on Cash	78,298	56,875
NET INCREASE IN CASH AND CASH EQUIVALENTS	48,534	479,571
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	24,163	9,262
CASH AND CASH EQUIVALENTS – END OF PERIOD	$ 72,697	$ 488,833

Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 505,538	$ 743,301
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Common stock issued for partial settlement of note payable	2,172,574	3,053,088
Common stock issued for loan commitment fees	118,888	-
Derivative liability recognized on issuance of convertible note	-	383,672
Warrant liability recognized on issuance of convertible note	-	453,746

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

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Company Overview

Blue Star Foods Corp., a Delaware corporation ("we", "our", the "Company"), is an international sustainable marine protein company based in Miami, Florida that imports, packages and sells refrigerated pasteurized crab meat, and other premium seafood products. The Company's main operating business, John Keeler & Co., Inc. ("Keeler & Co.") was incorporated in the State of Florida in May 1995. The Company has three other subsidiaries, Coastal Pride, TOBC and AFVFL which maintain the Company's fresh crab meat, steelhead salmon and packaged seafood and other inventory businesses, respectively. The Company's current source of revenue is purchasing blue and red swimming crab meat primarily from our largest supplier in Miami and distributing it in the United States and Canada under several brand names such as Blue Star, Oceanica, Pacifika, Crab & Go, First Choice, Good Stuff and Coastal Pride Fresh, steelhead salmon and rainbow trout produced under the brand name Little Cedar Farms for distribution in Canada and purchasing raw materials for packaged seafood and other inventory under AFVFL to be sold to various customers in the United States.

On February 3, 2022, Coastal Pride entered into an asset purchase agreement with Gault Seafood, LLC, a South Carolina limited liability company ("Gault Seafood"), and Robert J. Gault II, President of Gault Seafood ("Gault") pursuant to which Coastal Pride acquired all of the Seller's right, title and interest in and to assets relating to Gault Seafood's soft-shell crab operations, including intellectual property, equipment, vehicles and other assets used in connection with the soft-shell crab business. Coastal Pride did not assume any liabilities in connection with the acquisition. The purchase price for the assets consisted of a cash payment in the amount of $359,250 and the issuance of 167 shares of common stock of the Company with a fair value of $359,250. Such shares were subject to a leak-out agreement pursuant to which Gault Seafood could not sell or otherwise transfer the shares until February 3, 2023.

On February 1, 2024, the Company entered into a ninety-day Master Services Agreement (the "Services Agreement") with Afritex Ventures, Inc. a Texas corporation ("Afritex"), pursuant to which the Company will be responsible for all of Afritex's operations and finance functions. The Company will provide Afritex with working capital in order to sustain operations and will purchase certain inventory listed in the Services Agreement. In consideration for its services, during the term of the Services Agreement, the Company will earn all of the revenue and profits by the purchase and sale of Afritex's inventory. Under the Services Agreement, Afritex may not sell or otherwise use as consideration any of its intellectual property without the Company's consent. The Company must maintain certain commercial liability insurance during the term of the Services Agreement. The Services Agreement also provides that the Company may not solicit Afritex employees for 24 months nor circumvent existing business relationships of Afritex for three years, after the term of the Services Agreement. The term of the Services Agreement will automatically extend for three thirty-day periods, if Afritex's outstanding debt is no greater than $325,000. The Company automatically extended the Services Agreement to August 31, 2024 after which it expired.

In connection with the Services Agreement, on February 12, 2024, the Company entered into an Intangibles Assets and Machinery Option To Purchase Agreement with Afritex (the "Option Agreement"). Pursuant to the Option Agreement, the Company has the option to purchase Afritex's intangible assets, machinery and equipment set forth in the Option Agreement for a purchase price of $554,714 for machinery and equipment and 100,000 shares of the Company's common stock were issued on February 12, 2024 to be held in escrow, for intangible assets. In addition, for one year from the date of the Option Agreement, Afritex has an option to purchase up to $1,000,000 shares of the Company's common stock at a 10% discount to the lowest volume-weighted average price in the immediately prior five days. The sale of any shares acquired by Afritex under the Option Agreement are subject to a "leak-out" provision as set forth in the Option Agreement. The closing of the Option Agreement is subject to, among other things, the successful restructuring of Afritex's accounts payable debts so that no individual debt of $85,000 or aggregate debt of more than $325,000 is outstanding. The Option Agreement may be terminated if, among others, the closing has not occurred within 90 days, unless extended for two additional 30-day periods at the Company's sole discretion. The Company has extended the Option Agreement for the first additional 30-day period and has not exercised its option to purchase such intangibles assets, machinery and equipment. The Option Agreement expired with the Company not exercising its option.

In connection with the Services Agreement, on February 1, 2024, AFVFL, a wholly-owned subsidiary of the Company, was incorporated in the State of Florida for the purpose of purchasing raw materials from Afritex, up to the date of the Service Agreement expiration, for the preparation of packaged seafood and other inventory to be sold to various customers in the United States. As of August 31, 2024, the Service Agreement expired.

On May 20, 2024, the Company amended its Certificate of Incorporation to affect a one-for-fifty reverse stock split ("Reverse Stock Split"), which became effective the same day. All share and per share amounts have been restated for all periods presented to reflect the Reverse Stock Split.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The following unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, such interim financial statements do not include all the information and footnotes required by accounting principles generally accepted in the United States ("GAAP") for complete annual financial statements. The information furnished reflects all adjustments, consisting only of normal recurring items which are, in the opinion of management, necessary in order to make the financial statements not misleading. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. The consolidated balance sheet as of December 31, 2023 has been derived from the Company's annual financial statements that were audited by our independent registered public accounting firm but does not include all of the information and footnotes required for complete annual financial statements. These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto which are included in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on April 1, 2024 for a broader discussion of our business and the risks inherent in such business.

Advances to Suppliers and Related Party

In the normal course of business, the Company may advance payments to its suppliers, including of Bacolod Blue Star Export Corp. ("Bacolod"), a related party based in the Philippines. These advances are in the form of prepayments for products that will ship within a short window of time. In the event that it becomes necessary for the Company to return products or adjust for quality issues, the Company is issued a credit by the vendor in the normal course of business and these credits are also reflected against future shipments.

As of September 30, 2024, and December 31, 2023, the balance due from the related party for future shipments was approximately $ 1,300,000. No new purchases have been made from Bacolod since November 2020. There was no cost of revenue related to inventories purchased from Bacolod recorded for the nine months ended September 30, 2024 and 2023.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers, as such, we record revenue when our customer obtains control of the promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company's source of revenue is purchasing blue and red swimming crab meat primarily from our largest supplier in Miami and distributing it in the United States and Canada under several brand names such as Blue Star, Oceanica, Pacifika, Crab & Go, First Choice, Good Stuff and Coastal Pride Fresh, steelhead salmon and rainbow trout fingerlings produced by TOBC under the brand name Little Cedar Farms for distribution in Canada and purchasing raw materials for packaged seafood and other inventory under AFVFL. The Company sells primarily to food service distributors. The Company also sells its products to wholesalers, retail establishments and seafood distributors.

To determine revenue recognition for the arrangements that the Company determines are within the scope of Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer by receipt of purchase orders and confirmations sent by the Company which includes a required line of credit approval process, (2) identify the performance obligations in the contract which includes shipment of goods to the customer FOB shipping point or destination, (3) determine the transaction price which initiates with the purchase order received from the customer and confirmation sent by the Company and will include discounts and allowances by customer if any, (4) allocate the transaction price to the performance obligations in the contract which is the shipment of the goods to the customer and transaction price determined in step 3 above and (5) recognize revenue when (or as) the entity satisfies a performance obligation which is when the Company transfers control of the goods to the customers by shipment or delivery of the products.

The Company elected an accounting policy to treat shipping and handling activities as fulfillment activities. Consideration payable to a customer is recorded as a reduction of the arrangement's transaction price, thereby reducing the amount of revenue recognized, unless the payment is for distinct goods or services received from the customer.

Accounts Receivable

Accounts receivable consist of unsecured obligations due from customers under normal trade terms, usually net 30 days. The Company grants credit to its customers based on the Company's evaluation of a particular customer's credit worthiness.

Allowances for credit losses are maintained for potential credit losses based on the age of the accounts receivable and the results of the Company's periodic credit evaluations of its customers' financial condition. Receivables are written off as uncollectible and deducted from the allowance for doubtful accounts after collection efforts have been deemed to be unsuccessful. Subsequent recoveries are netted against the allowance for credit losses. The Company generally does not charge interest on receivables.

Receivables are net of estimated allowances for doubtful accounts and sales return, allowances and discounts. They are stated at estimated net realizable value. As of September 30, 2024, the Company recorded allowances for sales returns, allowances and discounts of $66,160 and refund liability of $ 42,317. There was no allowance for bad debt recorded for the nine months ended September 30, 2024. As of December 31, 2023, the Company recorded sales return, allowances and discounts of $31,064 and refund liability of $ 189,975. There was no allowance for bad debt recorded for the year ended December 31, 2023.

Inventories

Substantially all of the Company's inventory consists of packaged crab meat located at a public cold storage facility and merchandise in transit from suppliers. The Company also has eggs and fish in process inventory from TOBC and raw materials for packaged seafood and other inventory from AFVFL. The cost of inventory is primarily determined using the specific identification method for crab meat and raw materials for packaged seafood inventory. Fish in process inventory is measured based on the estimated biomass of fish on hand. The Company has established a standard procedure to estimate the biomass of fish on hand using counting and sampling techniques. Inventory is valued at the lower of cost or net realizable value, cost being determined using the first-in, first-out method for crab meat and raw materials for packaged seafood inventory and using various estimates and assumptions in regard to the calculation of the biomass, including expected yield, market value of the biomass, and estimated costs of completion.

Merchandise is purchased cost and freight shipping point and becomes the Company's asset and liability upon leaving the suppliers' warehouse. The Company periodically reviews the value of items in inventory and records an allowance to reduce the carrying value of inventory to the lower of cost or net realizable value based on its assessment of market conditions, inventory turnover and current stock levels. For the nine months ended September 30, 2024, the Company recorded an inventory allowance of $714,900. For the year ended December 31, 2023, the Company recorded an inventory allowance in the amount of $ 176,000 which was charged to cost of goods sold.

The Company's inventory as of September 30, 2024 and December 31, 2023 consists of:

	September 30, 2024	December 31, 2023
Inventory purchased for resale	$ 2,154,578	$ 1,708,311
Feeds and eggs processed	71,494	102,373
Raw materials for packaged seafood	313,563	-
Packaged seafood inventory	654,224	-
Inventory other	63,097	-
In-transit inventory	-	973,837
Less: Inventory allowance	(890,900)	(176,000)
Inventory, net	$ 2,366,056	$ 2,608,521

Inventory other is comprised of packaged inventory involving other protein items such as poultry, beef and pork.

Lease Accounting

The Company accounts for its leases under ASC 842, *Leases*, which requires all leases to be reported on the balance sheet as right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

The Company categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that would allow the Company to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are recorded in property and equipment, net. All other leases are categorized as operating leases. The Company did not have any finance leases as of September 30, 2024. The Company's leases generally have terms that range from three years for equipment and six to seven years for real property. The Company elected the accounting policy to include both the lease and non-lease components of its agreements as a single component and accounts for them as a lease.

Lease liabilities are recognized at the present value of the fixed lease payments using a discount rate based on similarly secured borrowings available to us. Lease assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the lease. Lease assets are tested for impairment in the same manner as long-lived assets used in operations. Leasehold improvements are capitalized at cost and amortized over the lesser of their expected useful life or the lease term.

When we have the option to extend the lease term, terminate the lease before the contractual expiration date, or purchase the leased asset, and it is reasonably certain that we will exercise the option, we consider these options in determining the classification and measurement of the lease. Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

The table below presents the lease-related assets and liabilities recorded on the balance sheet as of September 30, 2024.

	September 30, 2024
Assets	
Operating lease assets	$ 97,286
Liabilities	
Current	
Operating lease liabilities	$ 36,915
Noncurrent	
Operating lease liabilities	$ 60,371

Supplemental cash flow information related to leases were as follows:

	Nine Months Ended September 30, 2024
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 27,728
ROU assets recognized in exchange for lease obligations:	
Operating leases	$ -

The table below presents the remaining lease term and discount rates for operating leases.

	September 30, 2024
Weighted-average remaining lease term	
Operating leases	2.50 years
Weighted-average discount rate	
Operating leases	7.3%

Maturities of lease liabilities as of September 30, 2024 were as follows:

	Operating Leases
2024 (three months remaining)	10,984
2025	43,934
2026	43,934
2027	10,983
Total lease payments	109,835
Less: amount of lease payments representing interest	(12,549)
Present value of future minimum lease payments	$ 97,286
Less: current obligations under leases	$ (36,915)
Non-current obligations	$ 60,371

Long-lived Assets

Management reviews long-lived assets, including finite-lived intangible assets, for indicators of impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Cash flows expected to be generated by the related assets are estimated over the asset's useful life on an undiscounted basis. If the evaluation indicates that the carrying value of the asset may not be recoverable, the potential impairment is measured using fair value. Fair value estimates are completed using a discounted cash flow analysis. Impairment losses for assets to be disposed of, if any, are based on the estimated proceeds to be received, less costs of disposal. No impairment was recognized for the nine months ended September 30, 2024 and for the year ended December 31, 2023.

Foreign Currency Exchange Rates Risk

The Company manages its exposure to fluctuations in foreign currency exchange rates through its normal operating activities. Its primary focus is to monitor exposure to, and manage, the economic foreign currency exchange risks faced by, its operations and realized when the Company exchanges one currency for another. The Company's operations primarily utilize the U.S. dollar and Canadian dollar as its functional currencies. Movements in foreign currency exchange rates affect its financial statements.

Fair Value Measurements and Financial Instruments

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.

Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Our financial instruments include cash, accounts receivable, accounts payable, accrued expenses, debt obligations, derivative liabilities and warrant liabilities. We believe the carrying values of our cash, accounts receivable, accounts payable, and accrued expenses approximate their fair values because they are short term in nature or payable on demand. The derivative liability is the embedded conversion feature on the 2023 Lind convertible note. All derivatives and warrant liabilities are recorded at fair value. The change in fair value for derivatives and warrants liabilities is recognized in earnings. The Company's derivative and warrant liabilities are measured at fair value on a recurring basis using the Black Scholes Pricing model as of September 30, 2024 and December 31, 2023. There were no financial assets and liabilities that were measured at fair value on a recurring basis under Levels 1 and 2.

	Level 3 Fair Value	
	As of September 30, 2024	As of December 31, 2023
Liabilities		
Derivative liability on convertible debt	$ 231,629	$ 1,047,049
Warrant liability	-	1,574
Total	$ 231,629	$ 1,048,623

The table below presents the change in the fair value of the derivative liability convertible debt and warrant liability during the nine months ended September 30, 2024:

Derivative liability balance, January 1, 2024	$ 1,047,049
Issuance of derivative liability during the period	-
Settlement of derivative liability	(1,027,674)
Change in fair value of derivative liability during the period	212,254
Derivative liability balance, September 30, 2024	$ 231,629
Warrant liability balance, January 1, 2024	$ 1,574
Issuance of warrant liability during the period	-
Change in fair value of warrant liability during the period	(1,574)
Warrant liability balance, September 30, 2024	$ -

The fair market value of all derivatives and warrant liability as of December 31, 2023 was determined using the Black-Scholes option pricing model which used the following assumptions:

Stock price	$ 7.00
Expected dividend yield	0.00%
Expected stock price volatility	45.51% - 150.46%
Risk-free interest rate	3.81% - 4.91%
Expected term	1.42 – 5.00 years

The fair market value of all derivatives and warrant liability as of September 30, 2024 was determined using the Black-Scholes option pricing model which used the following assumptions:

Stock price	$	0.53
Expected dividend yield		0.00%
Expected stock price volatility		38.90% - 199.16%
Risk-free interest rate		3.58% - 4.38%
Expected term		0.67 – 4.33years

Recent Accounting Pronouncements

There are various updates recently issued to the accounting literature and these are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Note 3. Going Concern

The accompanying consolidated financial statements and notes have been prepared assuming the Company will continue as a going concern. For the nine months ended September 30, 2024, the Company incurred a net loss of $ 4,260,209 and had an accumulated deficit of $ 38,070,941. These factors raise substantial doubt as to the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the Company's ability to increase revenues, execute on its business plan to acquire complimentary companies, raise capital, and to continue to sustain adequate working capital to finance its operations. The failure to achieve the necessary levels of profitability and cash flows would be detrimental to the Company. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 4. Other Current Assets

Other current assets totaled $1,697,407 as of September 30, 2024 and $ 833,472 as of December 31, 2023. As of September 30, 2024, approximately $ 863,900 and $158,000 of the balance was related to prepaid inventory to the Company's suppliers and prepaid legal fees, respectively. The remainder of the balance was related to prepaid insurance and other prepaid expenses.

Note 5. Fixed Assets, Net

Fixed assets comprised the following:

		September 30, 2024		December 31, 2023
Computer equipment	$	55,345	$	47,908
RAS system		164,333		140,214
Leasehold improvements		17,904		17,904
Building Improvements		199,249		136,653
Total		436,831		342,679
Less: Accumulated depreciation		(43,033)		(38,822)
Fixed assets, net	$	393,798	$	303,857

For the nine months ended September 30, 2024 and 2023, depreciation expense totaled approximately $ 4,200 and $2,000, respectively.

Note 6. Debt

Working Capital Line of Credit

On March 31, 2021, Keeler & Co. and Coastal Pride entered into a loan and security agreement ("Loan Agreement") with Lighthouse Financial Corp., a North Carolina corporation ("Lighthouse"). Pursuant to the terms of the Loan Agreement, Lighthouse made available to Keeler & Co. and Coastal Pride (together, the "Borrowers") a $5,000,000 revolving line of credit for a term of thirty-six months, renewable annually for one-year periods thereafter. Amounts due under the line of credit are represented by a revolving credit note issued to Lighthouse by the Borrowers.

The advance rate of the revolving line of credit is 85% with respect to eligible accounts receivable and the lower of 60% of the Borrowers' eligible inventory, or 80% of the net orderly liquidation value, subject to an inventory sublimit of $2,500,000. The inventory portion of the loan will never exceed 50% of the outstanding balance. Interest on the line of credit is the prime rate (with a floor of 3.25%), plus 3.75% which increased to 4.75% in 2022. The Borrowers paid Lighthouse a facility fee of $50,000 in three instalments of $16,667 in March, April and May 2021 and paid an additional facility fee of $25,000 on each anniversary of March 31, 2021. On January 14, 2022, the maximum inventory advance under the line of credit was adjusted from 50% to 70% until June 30, 2022, 65% to July 31, 2022, 60% to August 31, 2022 and 55% to September 30, 2022 at a monthly fee of 0.25% on the portion of the loan in excess of the 50% advance in order to increase imports to meet customer demand.

The line of credit was secured by a first priority security interest on all the assets of each Borrower. Pursuant to the terms of a guaranty agreement, the Company guaranteed the obligations of the Borrowers under the note and John Keeler, Executive Chairman and Chief Executive Officer of the Company, provided a personal guaranty of up to $1,000,000 to Lighthouse. During the six months ended June 30, 2023, cash proceeds from the working capital line of credit totaled $2,405,034 and cash payments to the working capital line of credit totaled $ 4,182,971.

On June 16, 2023, the Company terminated the Loan Agreement and paid a total of approximately $ 108,400 to Lighthouse which included, as of June 16, 2023, an outstanding principal balance of approximately $ 93,400, accrued interest of approximately $9,900, and other fees incurred in connection with the line of credit of approximately $ 4,900. Upon the repayment of the total outstanding indebtedness owing to Lighthouse, the Loan Agreement and all other related financing agreements and documents entered into in connection with the Loan Agreement were deemed terminated.

John Keeler Promissory Notes

As of September 30, 2024, the Company paid off the unsecured promissory notes with John Keeler and paid interest expense of $ 4,435. During the nine months ended September 30, 2023, the Company paid interest expense of $ 39,930. These notes are payable on demand and accrue interest at an annual rate of 6%. The Company made principal payments of $165,620 and $124,161 during the nine months ended September 30, 2024 and 2023, respectively.

Walter Lubkin Jr. Note

On November 26, 2019, the Company issued a five-year unsecured promissory note in the principal amount of $ 500,000 to Walter Lubkin Jr. as part of the purchase price for the Coastal Pride acquisition. The note bears interest at the rate of 4% per annum. The note is payable quarterly in an amount equal to the lesser of (i) $25,000 or (ii) 25% of the EBITDA of Coastal Pride, as determined on the first day of each quarter .

For the year ended December 31, 2023, $250,000 of the outstanding principal was paid in shares of common stock of the Company.

As of September 30, 2024, $3,136 of the outstanding interest to date was accrued on the note by the Company.

Interest expense for the note totaled approximately $3,000 and $10,600 during nine months ended September 30, 2024 and 2023, respectively.

As of September 30, 2024 and December 31, 2023, the outstanding principal balance on the note totaled $ 100,000.

Lind Global Fund II LP notes

2022 Note

On January 24, 2022, the Company entered into a securities purchase agreement with Lind Global Fund II LP, a Delaware limited partnership ("Lind"), pursuant to which the Company issued Lind a secured, two-year, interest free convertible promissory note in the principal amount of $5,750,000 (the "2022 Lind Note) and a five-year warrant to purchase 1,000,000 shares of common stock at an exercise price of $ 4.50 per share, subject to customary adjustments (1,000 shares of common stock at an exercise price of $4,500 per share after taking into account the Company's Reverse Stock Split). The warrant provides for cashless exercise and for full ratchet anti-dilution if the Company issues securities at less than $ 4.50 per share (exercise price of $4,500 per share after taking into account the Company's Reverse Stock Split). In connection with the issuance of the 2022 Lind Note and the warrant, the Company paid a $ 150,000 commitment fee to Lind and $87,144 of debt issuance costs. The Company recorded a total of $ 2,022,397 debt discount at issuance of the debt, including original issuance discount of $ 750,000, commitment fee of $ 150,000, $87,144 debt issuance cost, and $1,035,253 related to the fair value of warrants issued. Amortization expense recorded in interest expense totaled $0 and $643,778 for the nine months ended September 30, 2024 and 2023, respectively.

The outstanding principal under the 2022 Lind Note was payable commencing July 24, 2022, in 18 consecutive monthly installments of $ 333,333, at the Company's option, in cash or shares of common stock at a price (the "Repayment Share Price") based on 90% of the five lowest volume weighted average prices ("VWAP") during the 20-days prior to the payment date with a floor price of $1.50 per share (the "Floor Price") (floor price of $1,500 per share after taking into account the Company's Reverse Stock Split), or a combination of cash and stock provided that if at any time the Repayment Share Price is deemed to be the Floor Price, then in addition to shares, the Company would pay Lind an additional amount in cash as determined pursuant to a formula contained in the 2022 Lind Note.

In connection with the issuance of the 2022 Lind Note, the Company granted Lind a first priority security interest and lien on all of its assets, including a pledge of its shares in Keeler & Co., pursuant to a security agreement and a stock pledge agreement with Lind, dated January 24, 2022 (the "2022 Security Agreement). Each subsidiary of the Company also granted a second priority security interest in all of its respective assets.

The 2022 Lind Note was mandatorily payable prior to maturity if the Company issued any preferred stock (with certain exceptions described in the note) or, if the Company or its subsidiaries issued any debt. The Company also agreed not to issue or sell any securities with a conversion, exercise or other price based on a discount to the trading prices of the Company's stock or to grant the right to receive additional securities based on future transactions of the Company on terms more favorable than those granted to Lind, with certain exceptions.

If the Company failed to maintain the listing and trading of its common stock, the note would become due and payable and Lind may convert all or a portion of the outstanding principal at the lower of the then current conversion price and 80% the average of the 3-day VWAP during the 20 days prior to delivery of the conversion notice.

If the Company engaged in capital raising transactions, Lind had the right to purchase up to 10% of the new securities.

The 2022 Lind Note was convertible into common stock at $ 5.00 per share ($5,000 per share after taking into account the Company's Reverse Stock Split), subject to certain adjustments, on April 22, 2022; provided that no such conversion may be made that would result in beneficial ownership by Lind and its affiliates of more than 4.99% of the Company's outstanding shares of common stock. If shares are issued by the Company at less than the conversion price, the conversion price will be reduced to such price.

Upon a change of control of the Company, as defined in the 2022 Lind Note, Lind had the right to require the Company to prepay 10% of the outstanding principal amount of the 2022 Lind Note. The Company may prepay the outstanding principal amount of the note, provided Lind may convert up to 25% of the principal amount of the 2022 Lind Note at a price per share equal to the lesser of the Repayment Share Price or the conversion price. The 2022 Lind Note contained certain negative covenants, including restricting the Company from certain distributions, stock repurchases, borrowing, sale of assets, loans and exchange offers.

Upon an event of default as described in the 2022 Lind Note, the 2022 Lind Note would become immediately due and payable at a default interest rate of 125% of the then outstanding principal amount. Upon a default, all or a portion of the outstanding principal amount may be converted into shares of common stock by Lind at the lower of the conversion price and 80% of the average of the three lowest daily VWAPs.

During the year ended December 31, 2023, the Company made aggregate principal payments on the 2022 Lind Note of $ 2,075,900 through the issuance of an aggregate of 27,584 shares of common stock, including a principal payment of $1,094,800 through the issuance of an aggregate of 7,471 shares of common stock during the six months ended June 30, 2023. On September 15, 2023, the Company paid $ 2,573,142 to Lind and the 2022 Lind Note was extinguished.

2023 Note

On May 30, 2023, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Lind pursuant to which the Company issued to Lind a secured, two-year, interest free convertible promissory note in the principal amount of $1,200,000 (the "2023 Lind Note") and a warrant (the "Lind Warrant") to purchase 8,701 shares of common stock of the Company commencing six months after issuance and exercisable for five years at an exercise price of $122.50 per share. The Lind Warrant includes cashless exercise and full ratchet anti-dilution provisions. In connection with the issuance of the Lind Note and the Lind Warrant, the Company paid Lind a $50,000 commitment fee. The proceeds from the sale of the Note and Warrant are for general working capital purposes.

In connection with the issuance of the 2022 Lind Note, the Company and Lind amended the 2022 Security Agreement to include the new 2023 Lind Note, pursuant to an amended and restated security agreement, dated May 30, 2023, between the Company and Lind.

The Company agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issuable pursuant to the 2023 Lind Note and Lind Warrant. Lind was also granted piggyback registration rights.

If the Company engages in capital raising transactions, Lind has the right to purchase up to 20% of the new securities for 24 months.

The 2023 Lind Note is convertible into common stock of the Company after the earlier of 90 days from issuance or the date the registration statement is effective, provided that no such conversion may be made that would result in beneficial ownership by Lind and its affiliates of more than 4.99% of the Company's outstanding shares of common stock. The conversion price of the 2023 Lind Note is equal to the lesser of: (i) $ 120.00; or (ii) 90% of the lowest single volume-weighted average price during the twenty-trading day period ending on the last trading day immediately preceding the applicable conversion date, subject to customary adjustments. The maximum number of shares of common stock to be issued in connection with the conversion of the 2023 Lind Note and the exercise of the Lind Warrant, in the aggregate, will not, exceed 19.9% of the outstanding shares of common stock of the Company immediately prior to the date of the 2023 Lind Note, in accordance with NASDAQ rules and guidance. Due to the variable conversion price of the 2023 Lind Note, the embedded conversion feature was accounted as a derivative liability. The fair value of the derivative liability at issuance amounting to $264,687 was recorded as debt discount and amortized over the term of the note.

The 2023 Lind Note contains certain negative covenants, including restricting the Company from certain distributions, stock repurchases, borrowing, sale of assets, loans and exchange offers.

Upon the occurrence of an event of default as described in the 2023 Lind Note, the 2023 Lind Note will become immediately due and payable at a default interest rate of 120% of the then outstanding principal amount of the Lind Note.

The Warrant entitles the Lind to purchase up to 8,701 shares of common stock of the Company during the exercise period commencing on the date that is six months after the issue date ("Exercise Period Commencement") and ending on the date that is sixty months from the Exercise Period Commencement at an exercise price of $122.50 per share, subject to customary adjustments. The Warrant includes cashless exercise and full ratchet anti-dilution provisions.

On July 27, 2023, the Company, entered into a First Amendment to the Purchase Agreement (the "Purchase Agreement Amendment") with Lind, which provided for the issuance of further senior convertible promissory notes up to an aggregate principal amount of up to $1,800,000 and the issuance of additional warrants in such amounts as the Company and Lind shall mutually agree.

Pursuant to the Purchase Agreement Amendment, the Company issued to Lind a two-year, interest free convertible promissory note in the principal amount of $ 300,000 and a warrant to purchase 3,505 shares of common stock of the Company at an exercise price of $67.00 per share for $250,000. In connection with the issuance of the note and the warrant, the Company paid a $ 12,500 commitment fee. The proceeds from the sale of the note and warrant are for general working capital purposes.

Due to the variable conversion price of the convertible promissory note, pursuant to the Purchase Agreement Amendment, the embedded conversion feature was accounted for as a derivative liability. The fair value of the derivative liability at issuance amounting to $118,984 was recorded as debt discount and amortized over the term of the note.

During the nine months ended September 30, 2024, $ 1,144,900 of note principal was converted to 571,531 shares of common stock. As of September 30, 2024, the outstanding balance on the notes was $ 355,100, net of debt discount of $160,056, and totaling $ 195,044. For the nine months ended September 30, 2024 and 2023, amortization of debt discounts totaled $ 858,614 and $88,618, respectively.

Agile Lending, LLC Loans

On June 14, 2023, the Company, through its subsidiary Keeler & Co. ("Borrowers") entered into a subordinated business loan and security agreement with Agile Lending, LLC as lead lender ("Agile") and Agile Capital Funding, LLC as collateral agent, which provides for a term loan to the Company in the amount of $525,000 which principal and interest (of $ 231,000) is due on December 15, 2023. Commencing June 23, 2023, the Company is required to make weekly payments of $29,077 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of $ 25,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated June 14, 2023, in the principal amount of $525,000 which note is secured by all of the Borrower's assets, including receivables. For the year ended December 31, 2023, the Company made principal and interest payments on the loan totaling $525,000 and $116,658, respectively, and the outstanding interest balance was refinanced on January 2, 2024 loan. The refinancing provides for a term loan to the Company in the amount of $122,491 which principal and interest (of $ 48,996) is due on May 31, 2024. Commencing January 5, 2024, the Company is required to make weekly payments of $ 7,795 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of $5,833 was paid on the loan. A default interest rate of 5% will become effective upon the occurrence of an event of default. In connection with the refinanced loan, Agile was issued a subordinated secured promissory note, dated January 2, 2024, in the principal amount of $122,491 which note is secured by all of the Borrower's assets, including receivables. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $122,491 and interest payments of $ 48,996. The outstanding balance on the loan was $ 0 as of September 30, 2024.

On October 19, 2023, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of $ 210,000 which principal and interest (of $84,000) and is due on April 1, 2024. Commencing October 19, 2023, the Company is required to make weekly payments of $ 12,250 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of $10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated October 19, 2023, in the principal amount of $210,000 which note is secured by all of the Borrowers' assets, including receivables. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $ 112,000 and interest payments of $84,000. The outstanding balance on the loan was $ 0 as of September 30, 2024.

On March 1, 2024, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of $ 210,000 which principal and interest (of $79,800) is due on August 29, 2024. Commencing March 7, 2024, the Company is required to make weekly payments of $ 11,146 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of $10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated March 1, 2024, in the principal amount of $210,000 which note is secured by all of the Borrowers' assets, including receivables. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $ 210,000 and interest payments of $79,800. The outstanding balance on the loan was $ 0 as of September 30, 2024.

On May 9, 2024, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of $ 210,000 which principal and interest (of $84,000) is due on November 22, 2024. Commencing May 17, 2024, the Company is required to make weekly payments of $ 10,500 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of $10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated May 9, 2024, in the principal amount of $210,000 which note is secured by all of the Borrowers' assets, including receivables. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $ 210,000 and no interest payments were made. The outstanding balance on the loan was $0 as of September 30, 2024.

On July 25, 2024, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of $ 210,000 which principal and interest (of $84,000) is due on January 31, 2025. Commencing August 2, 2024, the Company is required to make weekly payments of $ 10,889 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of $10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated July 25, 2024, in the principal amount of $210,000 which note is secured by all of the Borrowers' assets, including receivables. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $ 98,000 and no interest payments were made. The outstanding balance on the loan was $112,000 as of September 30, 2024.

ClearThink Term Loan

On January 18, 2024, the Company entered into the Revenue-Based Factoring MCA Plus Agreement with ClearThink Capital LLC ("ClearThink") which provides, among other things, for a 33-week term loan in the principal amount of $ 200,000 (with an additional one-time commitment fee of $50,000). Interest accrues at the rate of 25% per annum with an additional 5% default interest rate or $ 50,000 will be added to the principal amount and accrue after principal is paid. The Company is required to make biweekly payments of $14,706, commencing February 1, 2024 for the term of the agreement. On January 25, 2024, the Company issued 7,092 shares of common stock to ClearThink as a commitment fee, with a fair value of $50,000. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $ 200,000 and interest payments of $ 50,000. The outstanding balance on the loan was $ 0 as of September 30, 2024.

1800 Diagonal Notes

On April 16, 2024, the Company issued to 1800 Diagonal Lending LLC, a Virginia limited liability company ("Diagonal"), a convertible promissory note in the principal amount of $ 138,000 with an original issue discount of $ 23,000 (the "First Diagonal Note"). The First Diagonal Note has a one-time interest payment of $26,220 paid upon issuance and a maturity date of January 15, 2025. The proceeds from the sale of the First Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the First Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. Additionally, Diagonal will have the right to convert all or any part of the outstanding and unpaid amount of the note into shares of the Company's common stock at a conversion price of 61% of the market price as described in the First Diagonal Note. The Company may not, without Diagonal's written consent, sell, lease, or otherwise dispose of any significant portion of its assets except in the ordinary course of business. The Company will reserve a sufficient number of shares to provide for the issuance of shares upon the full conversion of the First Diagonal Note. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $138,000 and interest payments of $ 26,220. The outstanding balance on the loan was $0 as of September 30, 2024.

On September 9, 2024, the Company issued to Diagonal a convertible promissory note in the principal amount of $ 179,400 with an original issue discount of $ 23,400 (the "Second Diagonal Note"). The Second Diagonal Note has an interest rate of 13% with a one-time interest payment of $ 23,322 paid upon issuance and a maturity date of June 15, 2025. The proceeds from the sale of the Second Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the Second Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. Additionally, Diagonal will have the right to convert all or any part of the outstanding and unpaid amount of the Second Diagonal Note into shares of the Company's common stock at a conversion price of 65% of the market price as described in the note. The Company may not, without Diagonal's written consent, sell, lease, or otherwise dispose of any significant portion of its assets except in the ordinary course of business. The Company will reserve a sufficient number of shares to provide for the issuance of shares upon the full conversion of the Second Diagonal Note. The Company is required to make monthly payments starting March 15, 2025, until the due date of June 15, 2025. The first payment due March 15, 2025, is $131,769. The monthly payment for April 15, 2025, May 15, 2025, and June 15, 2025, is $23,651. For the nine months ended September 30, 2024, no principal and interest payments were made. The outstanding balance on the loan was $ 179,400 as of September 30, 2024.

The Hart Note

On April 16, 2024, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Hart Associates, LLC, a Delaware limited liability company (the "Hart"), pursuant to which the Company issued a promissory note in the principal amount of $300,000 and will issue 10,000 shares of its common stock to Hart (the "Hart Note"). The Hart Note has a one-time interest payment of $ 50,000 payable on the maturity date of May 15, 2024, which was extended to August 15, 2024. The proceeds from the sale of the Hart Note are for general working capital. The Company may prepay the Hart Note at any time without penalty. The Company's failure to comply with the material terms of the Hart Note will be considered an event of default and the principal sum of the Hart Note will increase by 20% of the outstanding balance for each subsequent 30 days it remains in default. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $250,000, and interest payments of $ 50,000. The outstanding balance on the loan was $ 0 as of September 30, 2024.

The FirstFire Note

On May 17, 2024, the Company entered into a promissory note with FirstFire Global Opportunities Fund, LLC, a Delaware limited liability company (the "FirstFire"), pursuant to which the Company issued a promissory note in the principal amount of $240,000 with an original discount of $ 40,000 (the "FirstFire Note"). The FirstFire Note accrues interest at a rate of 19% per annum and has a maturity date of April 17, 2025. The proceeds from the sale of the FirstFire Note are for general corporate purposes. The FirstFire Note has mandatory monthly payments due the 17th of each month. The initial payment on August 17, 2024 is $185,600. Monthly payments from September 2024 – December 2024 are $ 22,000. Monthly payments from January 2025 - April 2025 are $3,000. The Company may prepay the FirstFire Note at any time without penalty. The Company's failure to comply with the material terms of the FirstFire Note will be considered an event of default and the principal sum of the FirstFire Note will become immediately due and payable at an amount equal to 150% times the sum of (i) the then outstanding principal amount of the note plus (ii) accrued and unpaid interest on the unpaid principal amount of the note to the date of payment plus (iii) default interest, (iv) plus (v) any other amounts owed to FirstFire. After the occurrence of an event of default, at any time, the FirstFire shall have the right, to convert all or any part of the outstanding and unpaid amount of the FirstFire Note into fully paid and non-assessable shares of our common stock. The conversion price shall be 61% multiplied by the Market Price (as defined in the FirstFire Note) (representing a discount rate of 39%). While the FirstFire Note remains outstanding, we will reserve 40,000 shares of our common stock free from preemptive rights, to provide for the issuance upon the full conversion of the FirstFire Note. While the FirstFire Note remains outstanding, we shall not, without the FirstFire's written consent, sell, lease, or otherwise dispose of any significant portion of our assets outside the ordinary course of business. For the nine months ended September 30, 2024, the Company made principal payments on the loan totaling $240,000, and interest payments of $ 40,000. The outstanding balance on the loan was $ 0 as of September 30, 2024.

Interest expense totaled $1,645,492 and $1,470,143 for the nine months ended September 30, 2024 and 2023, respectively. For the nine months ended September 30, 2024, approximately $ 927,100, $505,500 and $97,200 of the balance was related to amortization on debt discount, cash paid interest, and accrued interest. The remainder of the balance was related to amortization of loan costs.

August 2024 Private Placement Offering

In August, 2024, the Company entered into securities purchase agreements (each a "Securities Purchase Agreement") with each of Quick Capital, LLC, a Wyoming limited liability company ("Quick Capital") and Jefferson Street Capital, LLC, a New Jersey limited liability company ("Jefferson") whereby we issued promissory notes in the aggregate principal amount of $550,000 (the "August Private Placement Offering").

The Company agreed to issue to Quick Capital and Jefferson up to 39,300 shares of our Common Stock as a "Commitment Fee"

As part of the August Private Placement Offering, the Company issued two promissory notes each in the principal amount of $ 275,000 with an original issue discount of $25,000 (the "Private Placement Notes"). The Private Placement Notes have a one-time interest payment of $27,500. Thereafter, any principal amount of interest which is not paid upon maturity will accrue at a rate of the lesser of (i) sixteen percent (16%) per annum, or (ii) the maximum amount permitted by law from the due date thereof until the same is paid. The Private Placement Notes have a maturity date of 10 months after issuance and the proceeds from the notes are for general corporate purposes. The Company agreed to issue to each of Quick Capital and Jefferson 19,650 shares of Common Stock as additional consideration for entering into Private Placement Notes.

The investors have the right, at any time on or following the earlier of (i) the date that any of the shares are registered for resale under a registration statement of the Company or (ii) the date that is six (6) months after the issue date, to convert all or any portion of the then outstanding and unpaid principal and interest into fully paid and non-assessable shares of our Common Stock. The conversion price shall be $1.50, subject to adjustments. We have agreed to reserve a sufficient number of Common Stock (initially, 2,000,000 shares) for issuance upon conversion of the Private Placement Notes in accordance with their terms.

If an event of default occurs under the Private Placement Notes, the investors have the right to convert all amounts outstanding under the notes at any time thereafter into shares of Common Stock at the lesser of (i) the then applicable conversion price under the notes or (ii) the Market Price. "Market Price" shall mean 85% of the lowest VWAP on any trading day during the ten (10) trading days prior to the respective conversion date. "VWAP" means, for any security as of any date, the dollar volume-weighted average price for such security on the principal market during the period beginning at 9:30 a.m., Eastern Standard Time, and ending at 4:00 p.m., Eastern Standard Time, as reported by Quotestream or other similar quotation service provider designated by the investors.

The Company may prepay the Private Placement Notes at any time with fifteen (15) trading days prior written notice (the "Prepayment Notice Period"). During the Prepayment Notice Period, the investor shall have the right to convert all or any portion of the Private Placement Notes pursuant to the terms of the notes, including the amount of the Private Placement Notes to be prepaid. If the Company exercises its right to prepay the notes, the Company shall make payment to the investor of an amount in cash equal to the sum of: (i) 100% multiplied by the principal amount then outstanding plus (ii) accrued and unpaid interest on the principal amount to the Prepayment Notice Date, and (iii) $ 750 to reimburse the investor for administrative fees.

If the Company delivers a prepayment notice and fails to pay the applicable prepayment amount, the Company shall forever forfeit its right to prepay any part of the Private Placement Notes.

The Private Placement Notes have mandatory monthly payments of $43,200. The initial payments are due on November 9, 2024 and November 12, 2024, respectively.

The Company's failure to comply with the material terms of the Private Placement Notes will be considered an event of default and the principal sum of the Private Placement Notes will become immediately due and payable at an amount equal to the principal amount then outstanding plus accrued interest (including any default interest) through the date of full repayment multiplied by 135%, as well as all costs, all without demand, presentment or notice, unless expressly waived by the investor.

The investors may assign their rights to any "accredited investor" (as defined in Rule 501(a) of the 1933 Act) in a private transaction or to any of its affiliates without the consent of the Company.

While the Private Placement Notes remain outstanding, we shall not, without the investor's written consent (i) (a) pay, declare or set apart for such payment, any dividend or other distribution on shares of capital stock other than dividends on shares of Common Stock solely in the form of additional shares of Common Stock or (b) directly or indirectly or through any subsidiary make any other payment or distribution with respect to its capital stock except for distributions pursuant to any shareholders' rights plan which is approved by a majority of the Company's disinterested directors, (ii) redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any shares of capital stock of the Company or any warrants, rights or options to purchase or acquire any such shares, or repay any indebtedness of the investor (iii) advance any loans made in the ordinary course of business in excess of $100,000, (iv) sell, lease or otherwise dispose of any significant portion of our assets outside the ordinary course of business, and (v) enter into any transaction or arrangement structured in accordance with, based upon, or related or pursuant to, in whole or in part, either Section 3(a)(9) or Section 3(a)(10) of the Securities Act.

In conjunction with the August Private Placement Offering, the Company entered into a registration rights agreement with each of Quick Capital and Jefferson. The Company agreed to file a registration statement with the Securities and Exchange Commission to register the re-sale of the maximum number of shares of Common Stock covered in the August Private Placement Offering within sixty (60) calendar days from the date of execution.

Note 7. Stockholders' Equity

In January 2023, the Company sold an aggregate of 474 shares of common stock for net proceeds of $ 182,982 in an "at the market" offering pursuant to a sales agreement between the Company and Roth Capital Partners, LLC ("Roth"). On January 31, 2023, 151 shares were repurchased from Roth for $76,323. The offering was terminated on February 2, 2023.

On February 14, 2023, the Company issued 8,200 shares of common stock and 800 pre-funded warrants to purchase common stock to Aegis Capital Corp. ("Aegis") for net proceeds of $ 1,692,000 in connection with an underwritten offering.

On August 22, 2023, the Company issued 4,000 shares of common stock with a fair value of $ 157,980 to Mark Crone for consulting services provided to the Company which is amortized to expense over the term of the agreement. The Company recognized stock compensation expense of $50,000 for the nine months ended September 30, 2023 in connection with these shares.

On September 11, 2023, the Company sold an aggregate of 13,800 shares of common stock for net proceeds of $ 321,195 in an underwritten public offering pursuant to a securities purchase agreement. The Company issued an aggregate of 34,008 shares upon the exercise of warrants.

During the nine months ended September 30, 2023, between May 2023, June 2023, and August 2023, the Company issued an aggregate of 1,832 shares of common stock for cash proceeds of $ 200,000 pursuant to a securities purchase agreement, dated May 16, 2023 with ClearThink. In connection with such agreement, the Company also issued 1,250 shares of common stock to ClearThink as commitment fees, with a fair value of $ 141,250, which was recorded as stock issuance costs.

During the nine months ended September 30, 2023, the Company issued an aggregate of 27,584 shares of common stock to Lind with a fair value of $ 3,053,089 as payment of $ 2,075,900 of note principal due on the convertible promissory note, and recorded a loss of $977,188.

During the nine months ended September 30, 2023, the Company issued an aggregate of 685 shares of common stock to the designee of ClearThink for consulting services provided to the Company.

On January 25, 2024, the Company issued 7,092 shares of common stock to ClearThink, with a fair value of $ 50,000, as a commitment fee on the term loan.

On February 12, 2024, the Company issued 100,000 shares of common stock to be held by The Crone Law Group as Escrow Agent with a fair value of $ 630,000 in connection with the Option Agreement with Afritex Texas.

On May 22, 2024, the Company issued 10,000 shares of common stock to Hart, with a fair value of $ 23,300, as a commitment fee on the promissory note.

On August 12, 2024, the Company issued an aggregate of 39,300 shares of common stock to Jefferson and Quick Capital, with a fair value of $ 45,588, as a commitment fee on the term loan.

During the nine months ended September 30, 2024, the Company issued an aggregate of 1,339,656 shares of common stock in consideration of proceeds of $ 2,982,415 pursuant to a securities purchase agreement, dated May 16, 2023 with ClearThink.

During the nine months ended September 30, 2024, the Company issued an aggregate of 571,531 shares of common stock to Lind as partial conversion of $ 1,144,900 principal pursuant to the May 2023 convertible promissory note.

During the nine months ended September 30, 2024, the Company issued an aggregate of 37,620 shares of common stock to the designee of ClearThink with a fair value of $ 98,999 for consulting services provided to the Company.

During the nine months ended September 30, 2024, the Company sold an aggregate of 979,823 shares of common stock for net proceeds of $ 1,036,911 in an "at the market" offering pursuant to a sales agreement between the Company and H.C. Wainwright & Co., LLC ("Wainwright").

Note 8. Options

The following table represents option activity for the nine months ended September 30, 2024:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding – December 31, 2023	6,331	$ 1,426.52	3.80	$ -
Exercisable – December 31, 2023	4,398	$ 1,426.52	4.27	$ -
Granted	-	$ -		
Forfeited	896	$ -		
Expired	500	$ -		
Vested	4,172	$ -		
Outstanding – September 30, 2024	4,935	$ 1,502.75	3.62	$ -
Exercisable – September 30, 2024	4,172	$ 1,502.75	3.92	$ -

For the nine months ended September 30, 2024, the Company recognized a net credit to stock compensation expense of $ 1,317 due to options forfeitures.

Note 9. Warrants

The following table represents warrant activity for the nine months ended September 30, 2024:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding – December 31, 2023	14,619	$ 601.78	4.20	
Exercisable – December 31, 2023	11,114	$ 770.50	5.52	$ -
Granted	-	$ -		
Exercised	-	$ -		

Forfeited or Expired	(2,358)	$ -		
Outstanding – September 30, 2024	12,261	$ 129.05	4.15	
Exercisable – September 30, 2024	12,261	$ 129.05	4.15	$ -

On May 30, 2023, in connection with the issuance of the $ 1,200,000 promissory note to Lind pursuant to a securities purchase agreement, the Company issued Lind a five-year warrant exercisable six months from the date of issuance to purchase 8,701 shares of common stock at an exercise price of $ 122.50 per share. The warrant provides for cashless exercise and full ratchet anti-dilution provisions. The fair value of the warrants of $ 381,538 was recorded as a discount to the 2023 Lind Note and classified as liabilities.

On July 27, 2023, in connection with the issuance of the $ 300,000 promissory note to Lind pursuant to the Purchase Agreement Amendment, the Company issued Lind a five-year warrant exercisable six months from the date of issuance to purchase 3,505 shares of common stock at an exercise price of $ 67.00 per share. The warrant provides for cashless exercise and full ratchet anti-dilution provisions. The fair value of the warrants of $ 72,208 was recorded as a discount to the 2023 Purchase Agreement Amendment and classified as a liability.

On September 11, 2023, in connection with the underwritten public offering, the Company issued five-year Series A-1 warrants to purchase up to 214,823 shares of common stock which warrants are exercisable upon stockholder approval at an exercise price of $23.28 per share. Since the exercise of these warrants is contingent upon stockholder approval, which stockholder approval has not been obtained, such warrants were not considered as outstanding as of September 30, 2024.

On September 11, 2023, in connection with the underwritten public offering, the Company issued eighteen-month Series A-2 warrants to purchase up to 214,823 shares of common stock which warrants are exercisable upon stockholder approval at an exercise price of $23.28 per share. Since the exercise of these warrants is contingent upon stockholder approval, which stockholder approval has not been obtained, such warrants were not considered as outstanding as of September 30, 2024.

There was no warrant activity for the nine months ended September 30, 2024.

Note 10. Commitment and Contingencies

Office lease

On January 1, 2022, the Company entered into a verbal month-to-month lease agreement for its executive offices with an unrelated third party and paid $ 52,200 on the lease for the nine months ended September 30, 2023. For the nine months ended September 30, 2024, the Company paid $52,200 under this lease.

Coastal Pride leased approximately 1,100 square feet of office space in Beaufort, South Carolina which consists of a lease with a related party for $ 1,000 per month that expires in October 2024. In August 2024, the lease was terminated as of August 31, 2024. For the nine months ended September 30, 2024, Coastal Pride paid $8,000 on the lease.

Coastal Pride also leased a 9,050 square foot facility for $ 1,000 per month from Gault for its soft-shell crab operations in Beaufort, South Carolina under a one-year lease that expired in February 2023. On February 3, 2023, the lease was renewed for $1,500 per month until February 2024. On February 3, 2024, Coastal Pride entered into a verbal month-to-month lease agreement with Gault for $ 1,500 per month. For the nine months ended September 30, 2024, Coastal Pride paid $13,500 on the lease.

The offices and facility of TOBC are located in Nanaimo, British Columbia, Canada and are on land which was leased to TOBC for approximately $ 2,500 per month plus taxes, from Steve and Janet Atkinson, the former TOBC owners. On April 1, 2022, TOBC entered into a new five-year lease with Steve and Janet Atkinson for CAD$2,590 per month plus taxes, and an additional five-year lease with Kathryn Atkinson for CAD$ 2,370 per month plus taxes. Both leases are renewable for two additional five-year terms.

Rental and equipment lease expenses were approximately $ 112,800 and $130,900 for the nine months ended September 30, 2024 and 2023, respectively.

Note 11. Subsequent Events

Shares issuances

On October 1, 2024, and November 1, 2024, the Company issued an aggregate of 56,123 shares of common stock, to the designee of ClearThink Capital for consulting services provided to the Company.

On October 18, 2024, the Company issued 172,000 shares of common stock with a fair value of $ 86,000 to Mark Crone for consulting services provided to the Company.

On October 18, 2024, the Company issued 168,000 shares of common stock with a fair value of $ 84,000 to Walter F. Lubkin Jr. for consulting services provided to the Company.

In October 2024 and November 2024, the Company issued 625,631 shares of common stock to Lind as partial conversion of $ 224,600 principal pursuant to the May 2023 and July 2023 convertible promissory note.

In October 2024 and November 2024, the Company sold an aggregate of 3,465,772 shares of common stock for net proceeds of $ 1,932,972 in an "at the market" offering pursuant to a sales agreement between the Company and Wainwright.

Note issuances

On October 1, 2024, pursuant to a securities purchase agreement, the Company issued to Diagonal a convertible promissory note in the principal amount of $ 121,900 with an original issue discount of $ 15,900 (the "October Diagonal Note"). The October Diagonal Note has a one-time interest payment of $14,628 paid upon issuance and a maturity date of June 30, 2025. The proceeds from the sale of the October Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the October Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. The October Diagonal Note has mandatory monthly payments of $15,170 beginning on October 30, 2024, and due on the 30th of every month thereafter until February 28, 2025.

British Columbia Lawsuit

On July 16, 2024, the Company, through TOBC, filed a lawsuit in the Supreme Court of British Columbia (the "Court") against their landlords Steven Atkinson, Kathryn Atkinson and Janet Atkinson (the "Landlords") requesting a declaration that their commercial lease located at 2904 and 2934 Jameson Road, Nanaimo, B.C. V9R 6W8 dated April 1, 2022 by and between TOBC and their Landlords is a valid lease and remains in full force and effect. The Company cannot provide any assurance as to the timing of resolution or outcome of this matter.

NASDAQ Compliance

On October 8, 2024, the "Company received a notice letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that, based upon the closing bid price of the Company's common stock, par value $0.0001 per share for the last 30 consecutive business days, the Company is not currently in compliance with the requirement to maintain a minimum bid price of $1.00 per share for continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Requirement"), which matter serves as a basis for delisting the Company's securities from Nasdaq.

As previously reported on a Current Report on Form 8-K filed on June 12, 2024, the Company is subject to a Mandatory Panel Monitor for a period of one year, or until June 11, 2025. As such, the Company is not eligible for a compliance period. The Company requested a hearing with the Hearings Panel (the "Panel"), on October 16, 2024. The hearing date is set for December 11, 2024. The hearing request will stay the suspension of the Company's securities and the filing of the Form 25-NSE pending the Panel's decision. The fee for the hearing was $20,000.

Vendor Agreement

On November 12, 2024 the Company entered into a vendor agreement with Low Tide LLC ("LT"). The term of the agreement is 180 days, with will be automatically renewed for additional successive 180 day terms unless either party gives 90 days written notice to terminate to the other.

LT has developed products, including but not limited to seafood, under the Wicked Tuna brand using its licensing rights from Pilgrim and the Toby Keith brand, (collectively the "Products"). We will, with LT, promote and sell the Products.

The Company may, at its discretion, provide funding for the inventory to fulfill a purchase order (each a "PO") for the Products sold, and the parties will each receive the following:

(i) As relates to Wicked Tuna, if the Company obtains a PO of a Product from its customers, we will pay LT a five percent (5%) margin on the Net Sales Amount. Net Sales Amount shall mean gross sales less returns and promotions and freight allowance.

(ii) As relates to the Toby Keith brand, if LT obtains a PO for the Products from its customers and the Company funds the purchase of the inventory to fulfill the PO, the Company shall receive a fee of one percent (1%) of the amount funded per month from LT from the first day of each month that the amount remains outstanding plus an allocation expense which shall be a direct pass through of cost which shall be calculated to include the cost of the product as well expenses associated with transportation, storage and miscellaneous expenses. The Company will be paid directly by LT's customers. Thereafter, the Company will pay LT its portion within 48 hours of receiving funds for each PO.

The parties agreed to certain customary covenants, including those relating to confidentiality and litigation. The parties also agreed to certain mutual indemnification provisions for breaches or inaccuracies in their respective representations and warranties or covenants.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

The following management's discussion and analysis should be read in conjunction with the financial statements and the related notes thereto contained in this Quarterly Report. The management's discussion and analysis contain forward-looking statements, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect" and the like, and/or future tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including those under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on April 1, 2024, as updated in subsequent filings we have made with the SEC that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this Quarterly Report.

Basis of Presentation

The following discussion highlights our results of operations and the principal factors that have affected our financial condition as well as our liquidity and capital resources for the periods described and provides information that management believes is relevant for an assessment and understanding of the statements of financial condition and results of operations presented herein. The following discussion and analysis are based on our unaudited financial statements contained in this Quarterly Report, which we have prepared in accordance with United States generally accepted accounting principles. You should read the discussion and analysis together with such financial statements and the related notes thereto.

Overview

We are an international seafood company that imports, packages and sells refrigerated pasteurized crab meat, and other premium seafood products. Our current source of revenue is from importing blue and red swimming crab meat primarily from Indonesia, the Philippines and China and distributing it in the United States and Canada under several brand names such as Blue Star, Oceanica, Pacifika, Crab & Go, First Choice, Good Stuff and Coastal Pride Fresh, purchasing raw materials for packaged seafood inventory under AFVFL, and steelhead salmon and rainbow trout fingerlings produced under the brand name Little Cedar Farms for distribution in Canada. The crab meat which we import is processed in six out of the ten plants available throughout Southeast Asia. Our suppliers are primarily via co-packing relationships, including two affiliated suppliers. We sell primarily to food service distributors. We also sell our products to wholesalers, retail establishments and seafood distributors.

Recent Events

On November 12, 2024 the Company entered into a vendor agreement with Low Tide LLC ("LT"). The term of the agreement is 180 days, with will be automatically renewed for additional successive 180 day terms unless either party gives 90 days written notice to terminate to the other.

LT has developed products, including but not limited to seafood, under the Wicked Tuna brand using its licensing rights from Pilgrim and the Toby Keith brand, (collectively the "Products"). We will, with LT, promote and sell the Products.

The Company may, at its discretion, provide funding for the inventory to fulfill a purchase order (each a "PO") for the Products sold, and the parties will each receive the following:

(i) As relates to Wicked Tuna, if the Company obtains a PO of a Product from its customers, we will pay LT a five percent (5%) margin on the Net Sales Amount. Net Sales Amount shall mean gross sales less returns and promotions and freight allowance.

(ii) As relates to the Toby Keith brand, if LT obtains a PO for the Products from its customers and the Company funds the purchase of the inventory to fulfill the PO, the Company shall receive a fee of one percent (1%) of the amount funded per month from LT from the first day of each month that the amount remains outstanding plus an allocation expense which shall be a direct pass through of cost which shall be calculated to include the cost of the product as well expenses associated with transportation, storage and miscellaneous expenses. The Company will be paid directly by LT's customers. Thereafter, the Company will pay LT its portion within 48 hours of receiving funds for each PO.

The parties agreed to certain customary covenants, including those relating to confidentiality and litigation. The parties also agreed to certain mutual indemnification provisions for breaches or inaccuracies in their respective representations and warranties or covenants.

Results of Operations

The following discussion and analysis of financial condition and results of operations of the Company is based upon, and should be read in conjunction with, the financial statements and accompanying notes elsewhere in this Quarterly Report.

Three months ended September 30, 2024 and 2023

Net Revenue. Revenue for the three months ended September 30, 2024 decreased 43.4% to $884,283 as compared to $1,561,679 for the three months ended September 30, 2023 as a result of a decrease in poundage sold.

Cost of Goods Sold. Cost of goods sold for the three months ended September 30, 2024 decreased to $887,850 as compared to $1,586,478 for the three months ended September 30, 2023. This decrease is attributable to the decrease in the poundage sold in the cost of goods.

Gross Profit (Loss). Gross (loss) for the three months ended September 30, 2024 decreased to $3,567 as compared to gross (loss) of $24,799 in the three months ended September 30, 2023. This decrease is attributable to the decrease the inventory reserve and decrease of cost.

Commissions Expense. Commissions expense increased to $11,429 for the three months ended September 30, 2024 from $423 for the three months ended September 30, 2023. This increase was due to the commission expense for our new subsidiary.

Salaries and Wages Expense. Salaries and wages expense decreased to $271,542 for the three months ended September 30, 2024 as compared to $301,393 for the three months ended September 30, 2023. This decrease is mainly attributable to a strategic reduction in salaries completed in the year end December 31, 2023.

Depreciation and Amortization. Depreciation and amortization expense decreased to $1,535 for the three months ended September 30, 2024 as compared to $2,754 for the three months ended September 30, 2023. This decrease is attributable to lower depreciation on fixed assets purchased, not including the capitalization of recently acquired assets during the three months ended September 30, 2024.

Other Operating Expense. Other operating expense increased to $631,722 for the three months ended September 30, 2024 from $410,913 for the three months ended September 30, 2023. This increase is mainly attributable to legal and professional expenses related to our business operations.

Other Income (Expense). Other (expense) decreased for the three months ended September 30, 2024 to other income of $18 from other (expense) of $1,902 for the three months ended September 30, 2023. This decrease is mainly attributable to the collections by Coastal Pride of receivables existing prior to the acquisition of Coastal Pride by the Company.

Interest Income. Interest income decreased to $0 for the three months ended September 30, 2024 from $16 for the three months ended September 30, 2023. The decrease is attributable to no interest earned for the three months ended September 30, 2024.

Loss on Settlement of Debt. Loss on settlement of debt decreased to $0 for the three months ended September 30, 2024 from $144,169 for the three months ended September 30, 2023. The decrease is attributable to the Lind notes settlement in the prior year.

Change in Fair Value of Derivative and Warrant Liabilities. Change in fair value of derivative and warrant liabilities decreased to $33,806 for the three months ended September 30, 2024 from $1,240,214 for the three months ended September 30, 2023. The decrease is attributable to the fair value measurement for the derivative liability and warrant liability for the three months ended September 30, 2024.

Interest Expense. Interest expense decreased to $439,176 for the three months ended September 30, 2024 from $799,690 for the three months ended September 30, 2023. The decrease is attributable to the amortization of the Lind convertible debt discount associated with the conversion payments made during the three months ended September 30, 2024.

Net Loss. Net loss was $1,325,147 for the three months ended September 30, 2024 as compared to $445,813 for the three months ended September 30, 2023. The increase in net loss is primarily attributable to the change in fair value of derivative and warrant liabilities.

Nine months ended September 30, 2024 and 2023

Net Revenue. Revenue for the nine months ended September 30, 2024 decreased 3.8% to $4,921,170 as compared to $5,115,680 for the nine months ended September 30, 2023 as a result of the decrease in the poundage sold.

Cost of Goods Sold. Cost of goods sold for the nine months ended September 30, 2024 decreased to $4,459,458 as compared to $4,775,102 for the nine months ended September 30, 2023. This decrease is attributable to the decrease in the poundage sold in the cost of goods.

Gross Profit (Loss). Gross profit for the nine months ended September 30, 2024 increased to $461,712 as compared to gross profit of $340,578 in the nine months ended September 30, 2023. This increase is attributable to the decrease of cost .

Commissions Expense. Commissions expense increased to $15,650 for the nine months ended September 30, 2024 from $2,169 for the nine months ended September 30, 2023. This increase was due to the commission expense for our new subsidiary.

Salaries and Wages Expense. Salaries and wages expense decreased to $868,781 for the nine months ended September 30, 2024 as compared to $1,298,358 for the nine months ended September 30, 2023. This decrease is attributable to a strategic reduction in salaries completed in the year end December 31, 2023.

Depreciation and Amortization. Depreciation and amortization expense decreased to $4,211 for the nine months ended September 30, 2024 as compared to $33,091 for the nine months ended September 30, 2023. This decrease is attributable to lower depreciation on fixed assets purchased, not including the capitalization of recently acquired assets during the nine months ended September 30, 2024.

Other Operating Expense. Other operating expense increased to $2,026,787 for the nine months ended September 30, 2024 from $1,773,702 for the nine months ended September 30, 2023. This increase is mainly attributable to increase of legal and professional expenses related to our business operations.

Other Income. Other income increased for the nine months ended September 30, 2024 to $49,680 from $25,292 for the nine months ended September 30, 2023. This increase is mainly attributable to the collections by Coastal Pride of receivables existing prior to the acquisition of Coastal Pride by the Company.

Interest Income. Interest income decreased to $0 for the nine months ended September 30, 2024 from $40 for the nine months ended September 30, 2023. The decrease is attributable to no interest earned for the nine months ended September 30, 2024.

Loss on Settlement of Debt. Loss on settlement of debt decreased to $0 for the nine months ended September 30, 2024 from $977,138 for the nine months ended September 30, 2023. The decrease is attributable to the Lind notes settlement in prior year.

Change in Fair Value of Derivative and Warrant Liabilities. Change in fair value and derivative and warrant liabilities decreased to $210,680 for the nine months ended September 30, 2024 from $1,339,791 for the nine months ended September 30, 2023. The decrease is attributable to the fair value measurement for the derivative liability and warrant liability for the nine months ended September 30, 2024.

Interest Expense. Interest expense increased to $1,645,492 for the nine months ended September 30, 2024 from $1,470,143 for the nine months ended September 30, 2023. The increase is attributable to the amortization of debt discount and interest paid and accrued on the notes.

Net Loss. Net loss was $4,260,209 for the nine months ended September 30, 2024 as compared to $3,848,950 for the nine months ended September 30, 2023. The increase in net loss is primarily attributable to the change in fair value of derivative and warrant liabilities and the interest expense.

Liquidity and Capital Resources

The Company had cash of $72,697 as of September 30, 2024. At September 30, 2024, the Company had a working capital surplus of $2,527,851, including the Company's primary sources of liquidity consisted of inventory of $2,366,056 and accounts receivable of $1,316,093.

The Company has historically financed its operations through the cash flow generated from operations, capital investment, notes payable and a working capital line of credit.

Cash (Used in) Operating Activities. Cash used in operating activities during the nine months ended September 30, 2024 was $4,285,630 as compared to cash used in operating activities of $3,112,126 for the nine months ended September 30, 2023. The increase is primarily attributable to decrease in payables and customer refunds of $1,981,764, offset by the increase in inventory of $3,289,924 for the nine months ended September 30, 2024 compared with the nine months ended September 30, 2023.

Cash (Used in) Investing Activities. Cash used in investing activities for the nine months ended September 30, 2024 was $94,152 as compared to cash used in investing activities of $132,551 for the nine months ended September 30, 2023. The decrease was mainly attributable to the decrease in the purchase of fixed assets.

Cash Provided by Financing Activities. Cash provided by financing activities for the nine months ended September 30, 2024 was $4,350,018 as compared to cash provided by financing activities of $3,667,373 for the nine months ended September 30, 2023. The increase is mainly attributable to proceeds from short-term loans and proceeds from share issuances.

John Keeler Promissory Notes

From January 2006 through May 2017, Keeler & Co issued 6% demand promissory notes in the aggregate principal amount of $2,910,000 to John Keeler, our Chief Executive Officer and Executive Chairman. As of September 30, 2024, approximately $0 of principal remains outstanding and approximately $4,435 of interest was paid under the notes during the nine months ended September 30, 2024. After satisfaction of the terms of the subordination, the Company may prepay the notes at any time first against interest due thereunder. If an event of default occurs under the notes, interest will accrue at 18% per annum and if not paid within ten days of payment becoming due, the holder of the note is entitled to a late fee of 5% of the amount of payment not timely made. The Company made principal payments of $165,620 during the nine months ended September 30, 2024.

Lind Global Fund II LP note

On May 30, 2023, the Company entered into a securities purchase agreement with Lind pursuant to which the Company issued to Lind a secured, two-year, interest free convertible promissory note in the principal amount of $1,200,000 (the "Lind Note") and a warrant (the "Lind Warrant") to purchase 435,035 shares of common stock of the Company commencing six months after issuance and exercisable for five years at an exercise price of $2.45 per share, for the aggregate funding amount of $1,000,000. The Lind Warrant includes cashless exercise and full ratchet anti-dilution provisions. In connection with the issuance of the Lind Note and the Lind Warrant, the Company paid Lind a $50,000 commitment fee. The proceeds from the sale of the Note and Warrant were for general working capital purposes.

On July 27, 2023, the Company, entered into a First Amendment to the securities purchase agreement (the "Purchase Agreement Amendment") with Lind, pursuant to which the Company amended the securities purchase agreement, entered into with Lind as of May 30, 2023 in order to permit the issuance of further senior convertible promissory notes in the aggregate principal amount of up to $1,800,000 and warrants in such aggregate amount as the Company and Lind shall mutually agree.

Pursuant to the Purchase Agreement Amendment, the Company issued to Lind a two-year, interest free convertible promissory note in the principal amount of $300,000 and a warrant to purchase 175,234 shares of common stock of the Company, for the aggregate amount of $250,000. In connection with the issuance of the note and the warrant, the Company paid a $12,500 commitment fee. The proceeds from the sale of the note and warrant are for general working capital purposes.

During the nine months ended September 30, 2024, the Company made aggregate principal payments on the Lind Note of $1,144,900 through the issuance of an aggregate of 571,531 shares of common stock. As of September 30, 2024, the outstanding balance on the Lind Note was $355,100, net of debt discount of $160,056.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, as of September 30, 2024, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation our principal executive officer and principal financial officer have concluded that based on the material weaknesses discussed below our disclosure controls and procedures were not effective as of such date to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that our disclosure controls are not effectively designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were:

- inadequate control over the monitoring of inventory maintained in the Company's third-party warehouse;
- ineffective controls over the Company's financial close and reporting process; and
- inadequate segregation of duties consistent with control objectives, including lack of personnel resources and technical accounting expertise within the accounting function of the Company.

Management believes that the material weaknesses that were identified did not have an effect on our financial results. However, management believes that these weaknesses, if not properly remediated, could result in a material misstatement in our financial statements in future periods.

Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we plan to further initiate, the following measures, subject to the availability of required resources:

- We plan to create a position to segregate duties consistent with control objectives and hire personnel resources with technical accounting expertise within the accounting function; and
- We plan to create an internal control framework that will address financial close and reporting process, among other procedures.

Changes in Internal Control over Financial Reporting

During the period covered by this Quarterly Report, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which we are a party or in which any director, officer or affiliate of ours, any owner of record or beneficially of more than 5% of any class of our voting securities, or security holder is a party adverse to us or has a material interest adverse to us.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Except as set forth below, there were no sales of equity securities sold during the period covered by this Report that were not registered under the Securities Act and were not previously reported in a Current Report on Form 8-K filed by the Company.

During the months of January 1, 2024 to November 8, 2024, the Company issued an aggregate of 93,743 shares of common stock, to the designee of ClearThink Capital for consulting services provided to the Company.

On July 17, 2024, July 23, 2024, October 3, 2024, October 22, 2024, October 24, 2024, and November 5, 2024, the company issued 55,954, 55,954, 113,751, 56,970, 64,850, 64,850, 124,434, 125,240, 125,000, and 250,957 shares of common stock to Lind in satisfaction of a convertible promissory note.

On August 12, 2024, the Company issued 19,650 shares of common stock to Jefferson, with a fair value of $22,794, as a commitment fee on the term loan.

On August 12, 2024, the Company issued 19,650 shares of common stock to Quick Capital, with a fair value of $22,794, as a commitment fee on the term loan.

On October 18, 2024, the Company issued 172,000 shares of common stock with a fair value of $86,000 to Mark Crone for consulting services provided to the Company.

On October 18, 2024, the Company issued 168,000 shares of common stock with a fair value of $84,000 to Walter F. Lubkin Jr. for consulting services provided to the Company.

The above issuances did not involve any underwriters, underwriting discounts or commissions, or any public offering and we believe are exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Certification of Principal Executive Officer and pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
10.93	Vendor Agreement dated November 12, 2024, by and between Blue Star Foods Corp. and Low Tide, LLC
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLUE STAR FOODS CORP.

Dated: November 14, 2024	By:	*/s/ John Keeler*
	Name:	John Keeler
	Title:	Executive Chairman and Chief Executive Officer (Principal Executive Officer and Principal Financial and Accounting Officer)

VENDOR AGREEMENT

THIS VENDOR AGREEMENT ("**Agreement**"), dated as of November 12, 2024 (the "**Effective Date**"), is between Low Tide, LLC ("LT") and Blue Star Foods Corp.and/or its subsidiaries. ("BSFC"). The foregoing may be hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS, LT has developed products, including but not limited to seafood, under the Wicked Tuna brand using its licensing rights from Pilgrim and the Toby Keith Brand, (collectively the "Products");

WHEREAS, BSFC is an established entity in the food industry and has relationships and capital to assist LT with its sales of the Products and the funding of purchase orders: and

WHEREAS, the Parties desire to enter into this Agreement in order to define between themselves their respective rights, responsibilities, interests, roles, financial obligations, loans assets and liabilities between the Parties.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein set forth, the Parties hereby agree as follows:

1. SALES AND FUNDING

Both Parties shall use commercially reasonable efforts to promote, find and sell purchase orders for the Products. In addition, BSFC may, at its discretion, provide funding for the inventory to fulfill a purchase order for the Product sold by the Parties. Based on the Party that sold the purchase order and if BSFC funded the inventory to fulfill the purchase order, eachParty shall receive the following:

1.1 As relates to Wicked Tuna, if BSFC obtains a purchase order of a Product from its customers, BSFC will pay LT a five percent (5%) margin on the Net Sales Amount. Net Sales Amount shall mean Gross Sales less returns and promotions and freight allowance.

1.2 As relates to Toby Keith, if LT obtains a Purchase Order for the Product from its customers and BSFC funds the purchase of the inventory to fulfill the purchase order, BSFC shall receive a fee of one percent (1%) of the amount funded per month from LT (the "Funding Fee") from the first day of each month that the amount remains outstanding plus an allocation expense which shall be a direct pass through of cost ("Pass Through Cost") which shall be calculated to include the cost of the product as well expenses associated with transportation, storage and miscellaneous expenses. Additionally, all LT shall provide BSFC with an irrevocable accounts receivable agreement as relates to the Toby Keith products, assuring that BSFC will be paid directly by LT's customers. Thereafter, BSFC will shall pay LT the remainder balance within 48 hours of receiving clear funds for each Purchase Order. ____.

2. PROPRIETARY INFORMATION

2.1 Each Party (i) acknowledges and recognizes the Background IP (defined below) of the other Party and (ii) agrees not to knowingly take any action which would challenge the validity of the Background IP owned by, licensed to or otherwise properly in the possession of the other Party. Nothing in this Agreement shall be construed or interpreted as providing for a license or transfer of a Party's Background IP to the other Party or any third party. For purposes of this Section, "Background IP" means all IP that a Party: (a) owned or licensed prior to the execution of this Agreement; or (b) independently developed, created, or obtained following the date of this Agreement. For purposes of this Section, "IP" means all copyrights, patents, trademarks, service marks, trade dress, trade secrets, Raw Materials Specifications, Finished Goods Specifications formulas, concepts, techniques, inventions, processes, recipes and other intellectual property rights.

2.2 In addition to Background IP, each Party's respective vendors, suppliers, customers and customer lists remain the sole property of such Party and shall at all times be considered confidential and proprietary to the respective Party.

2.3 The parties agree that there shall be a two (2) year non-circumvention agreement relating to each other's vendors, suppliers and customers, following the termination of this Agreement. .

3. TERM AND TERMINATION

3.1. The term of this Agreement shall be for a period of one hundred and eighty (180) days from the Effective Date (the "**Initial Term**") and shall be renewed automatically for additional successive one hundred and eighty (180) day terms (each a "**Renewal Term**" and together with the Initial Term, the " **Term**"), unless either Party gives ninety (90) days written notice of its intent to terminate the Agreement prior to the end of the then current Term upon the mutual agreement of the Parties.

3.2 During the Term of this Agreement, either Party may terminate this Agreement for any reason or no reason by giving the other Party ninety days (90 days) prior written notice of termination.

3.3 In addition, either Party may terminate this Agreement as follows:

Either Party may terminate this Agreement by providing written notice if the other Party is in material breach of any representation, warranty or covenant under this Agreement, and either the breach cannot be cured or, if the breach can be cured, it is not cured by the breaching Party within thirty (30) days after receipt of written notice of such breach; and

Either Party may terminate this Agreement if the other Party is adjudicated insolvent; is the subject of a petition in bankruptcy, whether voluntary or involuntary, or of any other proceeding under bankruptcy, insolvency or similar laws that is not dismissed within sixty (60) days; makes an assignment for the benefit of creditors; is named in, or a material portion of its property is subject to, a suit for appointment of a receiver; or is dissolved or liquidated.

3.4 In the event of a termination under Section 3.3, the non-breaching Party shall be entitled to pursue any and all remedies provided at law or in equity, including injunctive relief and the right to recover any damages it may have suffered by reason of such breach, unless otherwise limited in this Agreement.

4. **REPRESENTATIONS AND WARRANTIES OF BSFC**

4.1 BSFC represents and warrants to LT that (i) it shall perform the services contemplated herein in a good and workmanlike fashion, in accordance with relevant industry standards, and applicable laws; and (ii) it shall maintain any certifications or approvals as are necessary to perform the services contemplated herein.

4.2 Subject to the Limitation of Liability below, BSFC shall and does hereby indemnify, protect, defend and hold LT harmless from and against all direct damages, including reasonable attorneys' fees incurred, arising against, or suffered by LT resulting from: (i) the breach of any representation or warranty of BSFC set forth in this Agreement; (ii) the failure of BSFC to perform any material obligation required by this Agreement to be performed by BSFC; or (iii) BSFC's negligence or misconduct. This indemnity shall survive the expiration or termination of this Agreement.

5. **REPRSENTATIONS AND WARRANTIES OF LT.**

5.1 LT represents and warrants that LT is the licensee of the marks and has the full authority to use the marks for the Products being sold and funded herein. LT has full right to the use of all specifications applicable to the Products and all intellectual property incident to the labels and other packaging and materials used for or on the Products.

5.2 LT represents and warrants that all Products shall comply with applicable federal, state and local laws and regulations.

5.3 LT represents and warrants that with respect to the Products: (i) the Products shall be fit for human consumption; (ii) at the time of delivery of such Products, the Products shall comply with all USDA laws and regulations and all applicable federal, state and local laws and regulations; (iii) Products shall be produced and, if applicable, imported in accordance with all applicable laws; (iv) Products shall not at any time be adulterated or misbranded within the meaning of the Federal Food, Drug & Cosmetic Act, as amended, or within the meaning of any identical or substantial similar state law; (v) the Products shall comply with the product specifications; and (vi) LT shall maintain any industry standard certification required to perform as set forth herein.

5.4 Subject to the Limitation of Liability below, LT shall and does hereby indemnify, protect, defend and hold BSFC harmless from and against any direct damages, including reasonable attorneys' fees incurred, arising against, or suffered by, BSFC resulting from: (i) the breach of any representation or warranty of LT set forth in this Agreement (including but not limited to the Products Warranties set forth herein); (ii) the failure of LT to perform any material obligation required by this Agreement to be performed by LT; or (iii) LT's negligence or misconduct. This indemnity shall survive the expiration or termination of this Agreement.

6. LIMITATION OF LIABILITY

Except for claims resulting from a Party's gross negligence, willful misconduct, fraud, breach of the Confidentiality, or Indemnification, in no event shall either Party be liable, and each Party hereby waives any claims against the other Party and releases the other Party from liability to them, for any indirect, special, punitive, incidental, or consequential damages whatsoever based upon breach of warranty, breach of contract, negligence, strict tort, or any other legal theory.

7. MEDIATION AND ARBITRATION

The Parties will attempt in good faith to promptly resolve any dispute, controversy or claim arising from or relating to this Agreement or the breach thereof (collectively, the "Dispute"), by negotiations between applicable representatives, who have authority to settle the Dispute. A meeting to resolve the Dispute directly between the Parties shall take place in person, or be conducted telephonically, within ten (10) business days after demand is made by any Party (the "Initiating Party") raising a Dispute.

If good faith negotiations as to the Dispute are unsuccessful, the Parties shall engage in non-binding third-party mediation ("Mediation"); provided, however, that no Party is required to mediate any Dispute in case of irreparable loss or damage. The Initiating Party shall compile a list of three (3) mediators and send it to the other Party ("Responding Party"). Within ten (10) business days, the Responding Party shall select one of these three (3) mediators or send a new list of three (3) mediators to the Initiating Party. If the Parties cannot agree on a mediator, then each side shall select one person from their respective lists, and those two selected persons shall determine an acceptable mediator. The Parties shall share equally the costs of the Mediation. The mediator shall hold meetings, as appropriate, to resolve the Dispute and shall provide opportunity to the Parties to be present and to participate in the Mediation and be represented by counsel. Any Dispute not resolved by good faith negotiation or Mediation may then be submitted to binding arbitration.

The Parties agree to submit to binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The Parties agree that the arbitration shall be held in Miami-Dade County, Florida or may be held elsewhere upon mutual written agreement. Nothing herein contained shall bar a Party's right to seek and obtain injunctive relief in accordance with applicable law against actual and/or threatened conduct that will cause such Party irreparable loss or damage.

8. MISCELLANEOUS

8.1 Force Majeure. If either Party is prevented from complying, either totally or in part, with any of the terms or provisions of this Agreement by reason of fire, flood, storm, pandemic, cyber-attack, strike, acts of terrorism, lockout or any other trouble, any law, order, proclamation, regulation, ordinance, demand or requirement of any governmental authority, riot, war, rebellion, or other causes beyond the reasonable control of such Party or other acts of God, then upon written notice to the other Party, the affected provisions and/or other requirements of this Agreement shall be suspended during the period of such disability.

8.2 Waivers. The failure or delay of either Party to insist upon the other Party's strict performance of the provisions in this Agreement or to exercise in any respect any right, power, privilege or remedy provided for under this Agreement shall not operate as a waiver or relinquishment thereof, nor shall any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise thereof, or the exercise of any other right, power, privilege or remedy; provided, however, that the obligations and duties of either Party with respect to the performance of any term or condition in this Agreement shall continue in full force and effect. No waiver or discharge of any breach of this Agreement shall be effective unless it is in a writing signed by both Parties.

8.3 Records and Reports. The Parties will maintain complete and accurate accounts and records of all records required to be maintained by the terms of this Agreement, or applicable law concerning the Products sold and/or funded under this Agreement along with the data related to the Net Sales Amount, Pass Through Costs and Support Fee.

8.4 Entire Agreement. This Agreement (including any documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

8.5 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Party; provided, however, that no prior consent shall be necessary for an assignment of this Agreement to any successor of all, or substantially all of a Party's assets and business by means of merger or consolidation.

8.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

8.7 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

8.9 Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) upon confirmation of receipt of a facsimile, (ii) one business day following the date sent when sent by overnight delivery (iii) three business days following the date mailed when mailed by registered or certified mail, return receipt requested and postage prepaid, to the following address, and (iv) upon receipt if sent by electronic mail to the email address below:

If to BSFC: ______________________
____
____
Email:_________________

If to LT: ______________________
____
____
Email:_________________

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

8.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice or conflict of law provision or rule. With respect to any proceeding in regard to the enforcement of or vacation of any arbitration process or decision referred to herein, the Parties hereby submit themselves to the exclusive jurisdiction of Miami-Dade County Circuit Court, as the Parties are residents or do business in this jurisdiction. Any award resulting from arbitration as required herein shall be confirmed as a Judgment in the State District Courts of Collin County and the Parties consent to personal jurisdiction in this forum.

8.11 Amendments and Waiver. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties.

8.12 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation or in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any jurisdiction.

8.13 Construction. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

8.14 Incorporation of Exhibits. The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

8.15 No Agency or Partnership. Nothing contained herein shall be deemed or construed to create any partnership, agency or joint venture between the Parties. All activities by BSFC under the terms of this Agreement shall be carried on by BSFC as an independent contractor and vendor and not as an agent for or employee of LT. Under no circumstances shall any employee of either Party be deemed or construed to be an employee of the other Party.

8.16 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. Person means an individual, corporation, partnership, limited liability company, association, trust or unincorporated organization, a governmental authority or any other entity or organization.

8.17 Acknowledgment. In signing this Agreement, each of the Parties acknowledges that it has read this Agreement, has discussed the terms of this document with its respective counsel, understands the terms of this Agreement, is authorized to enter into this Agreement and is in agreement with all of the terms contained herein.

8.18 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and each of which shall constitute one and the same Agreement. Signatures of the Parties and/or their representatives transmitted by facsimile or electronic mail shall be deemed original signatures for all purposes.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers or agents effective as of the day and year first above written.

LOW TIDE, LLC

By: ______________________
Name: Winston Tucker
Its: ______________________
Date: ______________________

BLUE STAR FOOD CORPORATION

By: ______________________
Name: ______________________
Its: ______________________
Date: ______________________

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL CHIEF EXECUTIVE OFFICER AND PRINCIPAL AND ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT AND RULE 13A-14(A) OR 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, John Keeler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blue Star Foods Corp.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2024

/s/ John Keeler
John Keeler
Executive Chairman and Chief Executive Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Blue Star Foods Corp. (the "Company"), for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Keeler, Executive Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 14, 2024

By: */s/ John Keeler*
Name: John Keeler
Title: Executive Chairman and Chief Executive Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)