



WORLD-CLASS Extractions

FRA: WCF OTCQB: WCEXF CSE: PUMP

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended October 31, 2022 and 2021

(Expressed in Canadian Dollars)
(Unaudited)

INDEX	PAGE(S)
Interim Condensed Consolidated Statements of Financial Position	2
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss	3
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity	4
Interim Condensed Consolidated Statements of Cash Flows	5
Interim Condensed Consolidated Financial Statements	6-31

WORLD CLASS EXTRACTIONS INC.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited - Expressed in Canadian Dollars)

AS AT	Note	October 31, 2022 \$	April 30, 2022 \$ (Audited)
ASSETS			
Current assets			
Cash		2,082,558	2,534,189
Consideration receivable	5	131,391	53,108
Sales tax receivable	6	15,669	7,717
Other receivable	4	-	100,000
Prepaid expenses and deposits	8	11,808	1,150
Total current assets		2,241,426	2,696,164
Non-current assets			
Loan receivable	7	417,026	408,715
Investments	5	492,624	638,856
Total non-current assets		909,650	1,047,571
TOTAL ASSETS		3,151,076	3,743,735
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	239,520	213,936
Due to related parties	16	-	136
Liabilities of discontinued operations	19	1,677	1,677
Total current liabilities		241,197	215,749
Non-current liabilities			
Government grant loan	10	39,181	36,713
Total non-current liabilities		39,181	36,713
Total liabilities		280,378	252,462
SHAREHOLDERS' EQUITY			
Share capital	11	61,756,937	61,756,937
Reserves	12, 13	820,358	2,119,732
Deficit		(59,706,597)	(60,385,396)
Total shareholders' equity		2,870,698	3,491,273
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,151,076	3,743,735

Nature of operations and going concern (Note 1)

Subsequent events (Note 20)

APPROVED BY THE BOARD:

 Signed "Chand Jagpal", Director
 Signed "Michael Galloro", Director

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

WORLD CLASS EXTRACTIONS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Note	For the three months ended		For the six months ended	
		October 31,	October 31,	October 31,	October 31,
		2022	2021 ⁱ	2022	2021 ⁱ
		\$	\$	\$	\$
Operating expenses					
Consulting fees		56,033	4,455	110,893	15,525
Depreciation and amortization		-	5,902	-	17,091
Filing fees		15,097	12,359	26,853	18,317
Lease interest		-	358	-	897
Office expenses		4,564	22,554	15,024	54,075
Management fees		15,000	52,500	30,000	105,000
Professional fees		170,017	22,493	207,189	61,306
Remuneration and benefits		87,862	132,640	179,519	239,668
Rent		9,000	9,000	18,000	18,000
Share-based payments		-	5,313	-	22,857
Loss before other expenses		(357,573)	(267,574)	(587,478)	(552,736)
Other income (expenses)					
Interest and bank charges	7, 10	2,834	703	5,713	835
Impairment loss		-	(86,939)	-	(86,939)
Foreign Exchange gain (loss)		20,522	(2,496)	29,139	(1,781)
Unrealized gain (loss) in FVTPL	5	53,588	-	(67,949)	-
Total other income (expenses)		76,944	(88,732)	(33,097)	(87,885)
Loss from continuing operations		(280,629)	(356,306)	(620,575)	(640,621)
Loss from discontinued operations		-	(755,752)	-	(733,595)
Net loss and comprehensive loss for the period		(280,629)	(1,112,058)	(620,575)	(1,374,216)
Attributable to:					
Equity holders of the parent		(280,629)	(543,803)	(620,575)	(688,974)
Non-controlling Interests		-	(568,255)	-	(685,242)
Net loss and comprehensive loss for the period		(280,629)	(1,112,058)	(620,575)	(1,374,216)
Weighted average number of common shares outstanding - basic and diluted					
		625,196,572	625,196,572	625,196,572	625,196,572
From continuing operations		(0.00)	(0.00)	(0.00)	(0.00)
From discontinued operations		-	(0.00)	-	0.00
Basic and diluted loss per share		(0.00)	(0.00)	(0.00)	(0.00)

i) The comparative figures have been reclassified to conform with the current period presentation, see Notes 4 and 19.

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

WORLD CLASS EXTRACTIONS INC.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - Expressed in Canadian Dollars)

	Equity attributable to holders of the Parent						Non-controlling Interest \$	Total Shareholders' Equity \$
	ISSUED CAPITAL			RESERVES				
	Number of Common Shares	Share Capital \$	Options \$	Warrants \$	Fair value revaluation	Deficit \$		
Balance, April 30, 2021	625,196,572	61,756,937	1,778,667	1,595,525	-	(60,574,718)	5,184,124	9,740,535
Cancellation or expiry of stock options	-	-	(669,694)	-	-	669,694	-	-
WCE shares sold by PED	-	-	-	-	101,279	-	298,721	400,000
Share-based payments	-	-	22,857	-	-	-	-	22,857
Net loss for the period	-	-	-	-	-	(688,974)	(685,242)	(1,374,216)
Balance, October 31, 2021	625,196,572	61,756,937	1,131,830	1,595,525	101,279	(60,593,998)	4,797,603	8,789,176
Balance, April 30, 2022	625,196,572	61,756,937	846,529	1,273,203	-	(60,385,396)	-	3,491,273
Expiry of warrants	-	-	-	(1,273,203)	-	1,273,203	-	-
Cancellation or expiry of stock options	-	-	(26,171)	-	-	26,171	-	-
Net loss for the period	-	-	-	-	-	(620,575)	-	(620,575)
Balance, October 31, 2022	625,196,572	61,756,937	820,358	-	-	(59,706,597)	-	2,870,698

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

WORLD CLASS EXTRACTIONS INC.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited - Expressed in Canadian Dollars)

	For the period ended	
	October 31, 2022	October 31, 2021 ⁱ
	\$	\$
Cash flows used in operating activities:		
Net loss for the period	(620,575)	(1,374,216)
Items not involving cash:		
Depreciation and amortization	-	17,091
Lease interest	-	897
Share-based payments	-	22,857
Interest	(5,843)	1,732
Impairment loss	-	86,939
Change in fair value of investments	67,949	-
Change in non-cash operating working capital:		
Other receivable	100,000	-
Accounts payable and accrued liabilities	25,584	61,513
Due to related parties	(136)	(24,271)
Sales tax receivable	(7,952)	(3,833)
Prepaid expenses and deposits	(10,658)	17,327
Cash used in operating activities - continuing operations	(451,631)	(1,193,964)
Cash provided by operating activities - discontinued operations	-	334,593
Cash flows used in investing activities:		
Issuance of loan receivable	-	(400,000)
Cash flows used in investing activities - continuing operations	-	(400,000)
Cash flows used in investing activities - discontinued operations	-	(72,301)
Cash flows used in financing activities:		
Repayment of lease obligation	-	(11,242)
Cash flows used in financing activities - continuing operations	-	(11,242)
Cash flows provided by financing activities - discontinued operations	-	331,589
Change in cash for the period	(451,631)	(1,011,325)
Cash, beginning of the period	2,534,189	2,377,635
Cash, end of the period	2,082,558	1,366,310

ii) The comparative figures have been reclassified to conform with the current period presentation, see Notes 4 and 19.

Supplemental cash flow information (Note 17)

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

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

World Class Extractions Inc. ("World-Class" or "WCE" or "the Company") was incorporated under the laws of British Columbia on December 2, 1965. The head office of the Company is located at Suite 308 - 9080 University Crescent, Burnaby, BC, V5A 0B7. The registered office is located at 2200 - 885 W Georgia St. Vancouver, BC, V6C 3E8.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "PUMP", the Frankfurt Stock Exchange under the symbol "WCF" and "WKN:A2PF9C", and the OTCQB Venture Market, under the symbol: "WCEXF".

The Company was an innovation-driven company previously operating through its wholly-owned subsidiary Soma Labs Scientific Inc. ("Soma Labs" or "Soma") based in the Lower Mainland of British Columbia and partially-owned subsidiary, Pineapple Express Delivery Inc. ("PED") based in Burlington, Ontario. PED specializes in compliant and secure delivery of government regulated products, including legal cannabis delivery within select provinces in Canada and liquor delivery in certain jurisdictions in Saskatchewan and was disposed of during the year ended April 30, 2022 (Note 4). Soma Labs was a designer, manufacturer, and supplier of extraction and processing equipment and solutions and was disposed of during the year ended April 30, 2022 (Note 4). The shareholders approved a special resolution to change the Company's business. The proposed change of business would refocus the Company's business operations from a cannabis and hemp company to an investment company focused on the raising of money and investing in the cannabis and cannabis related sectors. The proposed change of business is subject to regulatory approval.

Going Concern

The Company incurred a net loss and comprehensive loss of \$620,575 for the period ended October 31, 2022. As at October 31, 2022, the Company had a history of losses and an accumulated deficit of \$59,706,597. Total cash as at October 31, 2022, amounted to \$2,082,558.

The ability of the Company to continue as a going concern is dependent on achieving profitable operations, positive operating cash flows and obtaining the necessary financing. The outcome of these matters cannot be predicted at this time. The Company will continue to review the prospects of raising additional debt and equity financing to support its operations until such time that its operations become self-sustaining, to fund its operating activities and to ensure the realization of its assets and discharge of its liabilities. While the Company is exerting its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for future operations. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future rather than a process of forced liquidation. These interim condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

Statement of Compliance and Presentation

These interim condensed consolidated financial statements including comparatives, have been prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The accounting policies set out in Note 3 have been applied consistently to all periods presented in these interim condensed consolidated financial statements. These interim condensed consolidated financial statements do not include all disclosures required for full IFRS financial statements, and should be read in conjunction with the most recent audited annual financial statements for the year ended April 30, 2022, which were prepared in accordance with IFRS as issued by IASB.

These interim condensed consolidated financial statements are presented in Canadian dollars except where otherwise indicated.

As a result of the disposition of PED and Soma disclosed in Note 4, the net earnings of the subsidiaries for the period ended October 31, 2021 have been reported as discontinued operations. The comparative figures have been reclassified in the interim condensed consolidated statements of loss and comprehensive loss and interim condensed cash flows to conform to this presentation.

These interim condensed consolidated financial statements were approved and authorized for issue by the directors of the Company on December 23, 2022.

Basis of Measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss at fair value through other comprehensive income, share-based payments, which are stated at their fair value.

Significant Estimates, Assumptions and Judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimates or assumptions are made. Actual results may differ from these estimates.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Significant Estimates, Assumptions and Judgments (continued)

The information about significant areas of estimates considered by management in preparing the interim condensed consolidated financial statements is as follows:

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Stock options and warrants

Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Fair value of financial instruments

Certain of the Company's financial assets and liabilities are measured at fair value. In estimating fair value the Company uses market-observable data to the extent it is available. In applying the valuation technique, management is required to determine and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements is as follows:

- i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
- ii. the determination of functional currency;
- iii. factors that are used in determining the discount rates applied to investments with inherent lack of liquidity in the Company's investments held in escrow; and
- iv. the Company's assessment of its ability to continue as a going concern requires judgments about the Company's ability to execute its strategy by funding future working capital requirements (Note 1). The Company's objectives are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other stakeholders.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents include cash on deposit and highly liquid short-term interest-bearing variable rate investments which are readily convertible into a known amount of cash. Cash and cash equivalents are held with Canadian financial institutions.

b) Consolidation

The interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries of which it has control. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated. The Company's subsidiaries are as follows:

Entity	Country of Incorporation	Operations	Interest
1230167 BC Ltd.	Canada	Inactive	100%

As at the year ended April 30, 2021, the Company held a 25.32% economic interest of PED and a voting interest of 80% until March 27, 2022. The voting interest effectively gave WCE the right to control business decisions of PED that can directly affect the return of its investment. During the year ended April 30, 2022, the Company, PED, Fire & Flower Holdings Corp. ("FFHC") and its wholly owned subsidiary Hifyre™ Inc. ("Hifyre") entered into agreements whereby Hifyre acquired 100% of the issued and outstanding shares of PED (the "Transaction"). As a result of the sale, all of the Company's shares in PED have been exchanged for common shares of FFHC. PED's financials were consolidated in accordance with IFRS 10 Consolidated Financial Statements up to the sale of PED (Note 4).

During the year ended April 30, 2022, Soma and 1323194 BC Ltd. were amalgamated and were sold to CannaWorld Ventures Inc. ("CannaWorld") (Note 4).

Control

The Company controls an investee if and only if the Company has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support the presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- the contractual arrangements with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Company's voting rights and potential voting rights

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Consolidation (continued)

Control (continued)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of WCE and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-Company asset, liabilities, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated statement of loss and comprehensive loss and within equity in the consolidated statement of financial position and consolidated statement of changes in equity, separate from equity attributable to equity holders of the Company.

c) Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of the relevant transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Translation gains and losses are included in foreign exchange gain (loss) of the period in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Impairment of non-financial assets

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be individually tested are grouped together into the smallest Company of assets that generate cash inflows or CGUs.

Impairment losses are recognized in impairment in the statement of loss and comprehensive loss for the period. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimated recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Related party transactions

Parties are considered to be related if one party has control or joint control over the Company, has significant influence over the Company or is a member of key management personnel of the Company. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

f) Share-based payments

The stock option plan allows the directors, officers, employees and consultants of the Company to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based payment reserve to share capital.

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payments, otherwise, measured at the fair value of the services received.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest. When vested options are forfeited or are not exercised at the expiry date, the amount previously recognized in share-based payments is transferred to accumulated losses (deficit).

g) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. None of the Company's financial assets are classified at FVTPL.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company's investments are classified as FVTOCI.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value (including transaction costs) and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company's financial assets at amortized cost comprise cash and cash equivalents, accounts receivable, other receivable, and loan receivable.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial Assets	Classification
Cash	Amortized cost
Consideration receivable	FVTPL
Loan receivable	Amortized cost
Other receivable	Amortized cost
Investments	FVTPL

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

(ii) Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A financial liability is defined as any contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Financial Liabilities	Classification
Accounts payable	Amortized cost
Accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Liabilities of discontinued operations	Amortized cost
Government grant loan	Amortized cost

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For interest receivables and loan receivable the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decreases can be objectively related to an event occurring after the impairment was recognized.

h) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares issued and outstanding during the period. Diluted earnings represent the profit or loss for the period, divided by the weighted average number of common shares issued and outstanding during the period plus the weighted average number of dilutive shares that could result from the exercise of stock options, warrants and other similar instruments where the inclusion of these items would not be anti-dilutive. When a loss per share calculation based on the fully diluted number of shares would be less than the loss per share calculated on the basic number of shares, diluted loss per share is anti-dilutive and accordingly, the diluted loss per share would be the same as basic loss per share.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case it is recognized in shareholders' equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to investments in subsidiaries and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date applicable to the period in which realization or settlement can reasonably be expected.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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

IFRIC 23, Uncertainty Over Income Taxes - In June 2017, the IASB issued a new IFRIC interpretation to specify how to reflect the effects of uncertainty in accounting for income taxes. IAS 12 Income Taxes provides requirements on the recognition and measurement of current or deferred income tax liabilities and assets. However, it does not provide a specific requirement for the accounting for income tax when the application of tax law to a particular transaction or circumstance is uncertain. As a result, the interpretation aims to reduce the diversity in how entities recognize and measure a tax liability or tax asset when there is uncertainty over income tax treatments. The new interpretation is effective for annual periods beginning on or after January 1, 2019. Management has concluded that there is no impact on the adoption of this guidance because there is no significant uncertainty in accounting for income taxes of the Company.

j) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital.

The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the issuance date of the unit offering and any residual remaining is allocated to common share purchase warrants. Subsequent to the initial recognition of warrants, any modification to the original terms of the warrants attached to units that were initially recognized in accordance with the residual value approach does not result in a re-measurement adjustment.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of WCE acts as the chief operating decision maker which assesses the financial performance and position of the Company and makes strategic decisions with inputs from top management which consists of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

l) Discontinued operations

The Company classifies disposal groups as discontinued operations if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

A disposal company qualifies as discontinued operations if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to re-sell

Loss from discontinued operations are excluded from net loss from continuing operations and are presented as a single amount under “loss from discontinued operations” account in the consolidated statement of loss and comprehensive loss.

m) Government grants

Government grants are recognized at fair value once there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. A forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

n) Recent accounting pronouncements

Certain pronouncements were issued by the International Accounting Standards Board (“IASB”) or the International Financial Reporting Interpretation Committee (“IFRIC”) that are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

4. SALE OF SUBSIDIARIES

PED

On January 21, 2022 (the “Disposition Date”), the Company completed the sale of its partially owned subsidiary, PED, to FFHC, whereby the Company received \$1,911,984 for settlement of debt owed by PED to WCE and an aggregate of up to 316,995 FFHC common shares (“FFHC Common Shares”) with a fair value of \$970,344. 62,800 FFHC Common Shares were released on closing (“Initial Release Shares”) with a fair value of \$243,144 and 216,145 FFHC Common Shares were placed in escrow. 16,949 FFHC Common Shares will be released at such time as the effective date net working capital is finalized (“Working Capital Holdback Shares”) and agreed upon and 199,196 FFHC Common Shares being released upon the trailing nine-month revenue is agreed upon (“Revenue Holdback Shares”).

Revenue Holdback Shares were valued using Monte Carlo Simulation (“MCS”) with level 3 inputs, which uses the baseline revenue forecast, as at acquisition date, through the end of the performance period. MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation. Within each iteration of the simulation, an expected present value of the payout is calculated. The model assumes the CCC Corporate Bond Credit spread of 9.93%, volatility of 50.34%, risk free rate of 0.78%, and discount rate of 15%.

Working Capital Holdback Shares were valued using the Black Scholes option pricing model that assumes no expected dividends, weighted average expected life remaining of 0.79 year, weighted volatility of 68.21% and risk-free rate of 1.22%.

On the Disposition Date, the fair value of the Revenue Holdback Shares and Working Capital Holdback Shares are \$569,319.

The Initial Release Shares and the Working Capital Holdback Shares are subject to restrictions on transfer for a period of three months following January 21, 2022 (the “Effective Date”) and the Revenue Holdback Shares shall be subject to restrictions on transfer for a period of twelve months following the Effective Date.

Within 90 days after January 21, 2022, FFHC shall provide a calculation of an effective date net working capital statement. The Working Capital Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the effective date net working capital statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the effective date net working capital statement. Subsequent to April 30, 2022, FFHC and the Company agreed on additional shares of 38,050 for excess working capital. As the subsequent event is a result of existing condition before April 30, 2022, the value of the shares is \$157,881.

Within 30 days after September 30, 2022, FFHC shall provide an income statement and trailing nine-month revenue statement (“Revenue Statement”). The Revenue Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the Revenue Statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the Revenue Statement. If the trailing nine-month revenue exceeds the earn-out target, the Revenue Holdback Shares will be released. If the trailing nine-month revenue is less than the earn out target, the aggregate consideration amount shall be decreased, dollar for dollar, by the amount of such difference and those shares shall be cancelled, with any remaining shares released from escrow. The trailing nine-month revenue has not yet been agreed upon.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

4. SALE OF SUBSIDIARIES (continued)

PED (continued)

Prior to the sale of PED, PED sold 25,000,000 common shares of WCE for \$400,000. As a result, the proceeds were recognized in shareholders' equity split between the equity holders of the Parent for \$101,279 and non-controlling shareholders for \$298,721.

During the year ended April 30, 2022, the Company recorded a loss on disposal of PED of \$5,361,311 as outlined below:

	April 30, 2022 \$
Net liabilities disposed attributable to equity holder of the parent (Note 19)	(523,740)
Goodwill disposed	8,767,399
Fair value of FFHC investment received	(970,344)
Cash received, net overpayment	(1,911,984)
Loss on sale of PED	5,361,331

Soma Labs

On April 29, 2022, the Company completed the sale of Soma Labs to CannaWorld, whereby the Company received 15,000,000 CannaWorld common shares with a fair value of \$300,000. These shares are valued using the share subscription price of the most recent capital financing prior to the disposition which are considered as a level 3 input. In the event that at any time until CannaWorld lists its common shares for trading on a stock exchange, CannaWorld issues common shares less than \$0.075 to any person, other than common shares issued pursuant to this agreement, CannaWorld shall issue to the Company additional common shares that equals the difference between \$750,000 divided by the lower per price share, less the number of common shares previously issued to the Company.

As at October 31, 2022, amounts due from Soma totaled \$Nil (April 30, 2022 - \$100,000) were unsecured, receivable on demand, and without interest.

During the year ended April 30, 2022, the Company recorded a gain on disposal of Soma Labs of \$641,623 as outlined below:

	April 30, 2022 \$
Net liabilities disposed attributable to equity holder of the parent (Note 19)	(341,623)
Fair value of CannaWorld investment received	(300,000)
Gain on sale of Soma Labs	(641,623)

5. INVESTMENTS

Investments consists of 316,995 FFHC Common Shares and 15,000,000 CannaWorld common shares.

The Company acquired 316,995 FFHC Common Shares in connection with the sale of PED with a fair value of \$970,344 (Note 4). Of 316,995 FFHC Common Shares, 16,949 Working Capital Holdback Shares and 199,196 Revenue Holdback Shares are in escrow pending completion of customary working capital adjustments and subject to PED's achievement of certain performance-based milestones in the nine-month period subsequent to the disposition of PED.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

As at October 31, 2022, 16,949 Working Capital Holdback Shares were valued at \$29,957 (April 30, 2022 - \$53,108) using the Black Scholes option pricing model that assumes no expected dividends, weighted average expected life remaining of 0.04 (April 30, 2022 - 0.52), weighted volatility of 93.46% (April 30, 2022 - 67.87%) and risk-free rate of 3.92% (April 30, 2022 - 2.60%). The Working Capital Holdback Shares are classified as consideration receivable. Subsequent to October 31, 2022, these shares were released from escrow.

As at October 31, 2022, 199,196 Revenue Holdback Shares were valued at \$101,434 (April 30, 2022 - \$Nil) using the Revenue Statement (April 30, 2022 - MCS) with level 2 inputs (April 30, 2022 - level 3 inputs which uses the baseline revenue forecast, as at acquisition date, through the end of the performance period) using the Black Scholes option pricing model that assumes no expected dividends, weighted average expected life remaining of 0.22, weighted volatility of 93.50% and risk-free rate of 3.92%. As at April 30, 2022, MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation. Within each iteration of the simulation, an expected present value of the payout is calculated. As at April 30, 2022, the model assumes the CCC Corporate Bond Credit spread of 10.74%, volatility of 50.34%, risk free rate of 1.66%, and discount rate of 15%. As at October 31, 2022 the Revenue Holdback Shares are classified as consideration receivable.

During the period ended October 31, 2022, the Company recorded an unrealized loss on investment through profit and loss of \$67,949 (October 31, 2021 - \$Nil).

Pursuant to the disposition of Soma, the Company acquired 15,000,000 common shares of CannaWorld, a private company incorporated in British Columbia, with a fair value of \$300,000 (Note 4). As at October 31, 2022, CannaWorld common shares are valued at \$300,000 (April 30, 2022 - \$300,000).

	October 31, 2022	April 30, 2022
	\$	\$
Balance, beginning	638,856	-
Acquisition of investments	-	1,270,344
Unrealized loss in FVTPL	(67,949)	(578,380)
Reclassified to consideration receivable	(78,283)	(53,108)
Investments	492,624	638,856

6. SALES TAX RECEIVABLE

This account consists of the refunds claimed for goods and services tax from the government. The balance as at October 31, 2022 is \$15,669 (April 30, 2022 - \$7,717).

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

7. LOAN RECEIVABLE

During the year ended April 30, 2022, a promissory note with a principal balance of \$400,000 was issued to the Company, it is, as amended, due on or before October 14, 2023 ("Maturity Date"). Interest is payable at a rate of 4% per annum on the Maturity Date. During the period ended October 31, 2022, the promissory note was reassigned to a new debtor (the "Debtor"). The term has been amended whereby in the event that the Debtor raises at any time an aggregate of \$5,000,000 in cash through the sale of common shares in the capital of the Debtor at a price of at least \$0.10 per Debtor share, the Debtor shall repay the amount outstanding under the promissory note, inclusive of principal and interest (the "Debt Amount") owing through the issuance of the Debtor's shares at a deemed price of \$0.10 per Debtor share. In the event that at any time until the Debtor lists its shares for trading on a stock exchange or other alternative trading system, Debtor issues common shares less than \$0.10 to any person, the Debtor shall issue to the Company additional common shares that equals the difference between the Debt Amount divided by the lower per price share, less the number of common shares previously issued to the Company.

As at October 31, 2022, the loan receivable consists of \$400,000 (April 30, 2022 - \$400,000) principal and \$17,026 (April 30, 2022 - \$8,715) accrued interest.

8. PREPAID EXPENSES AND DEPOSITS

	October 31, 2022	April 30, 2022
	\$	\$
Rent security deposit	1,150	1,150
Other prepayments to vendors	10,658	-
Prepaid Expenses and Deposits	11,808	1,150

Rent security deposits

Rent security deposits pertain to prepaid amounts for damages that might be claimed against a leased property. These can be claimed in full or in part at the end of the lease subject to actual charges.

Other prepayments

Other prepayments include various advance payments to suppliers for purchases and services.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2022	April 30, 2022
	\$	\$
Accounts payable	194,071	32,145
Accrued liabilities	45,449	181,791
Accounts payable and accrued liabilities	239,520	213,936

Accounts payable are generally trade payables, non-interest bearing and are settled on 30 to 60-day payment terms. Accruals include liabilities for remuneration and benefits, interest, and other expenses billed after the reporting period. As of October 31, 2022, an accrual of \$Nil (April 30, 2022 - \$100,756) was recorded for an overpayment pursuant to the PED credit facility agreement. Accrued liabilities are generally settled within 12 months from end of reporting period.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

10. GOVERNMENT GRANT LOAN

	October 31, 2022	April 30, 2022
	\$	\$
CEBA Loan	39,181	36,713
Government Grant Loan	39,181	36,713

Due to the global outbreak of Novel Coronavirus (“COVID-19”), the federal government of Canada introduced the Canada Emergency Business Account (“CEBA”). CEBA provides an interest-free loan (“CEBA Loan”) of \$40,000 to eligible businesses. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of \$30,000 by December 31, 2022, results in a \$10,000 loan forgiveness. The CEBA Loan initial term has been extended to December 31, 2023. If the balance is not paid prior to December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025. WCE received \$40,000 loans from the Government as part of the CEBA.

Pursuant to IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, the benefit of a government loan at below – market rate is treated as a government grant and measured in accordance with IFRS 9, *Financial Instruments*. The benefit of below market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The initial carrying value of each CEBA loan was \$26,880, discounted at 15%, which was the estimated market rate for a similar loan without the interest-free component. The difference of \$13,120 is accreted to CEBA Loan liability over the term and offset to profit or loss. During the period ended October 31, 2022, total interest expense of \$2,468 (October 31, 2021– \$2,469) was recorded.

11. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The holders of the common shares are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company’s residual assets. The shares issued by the Company prior to the reverse takeover are not reflected in the statements of changes in equity as the number of shares have been revised to reflect the number of shares of WCE.

No capital activity was initiated during the periods ended October 31, 2022 and October 31, 2021.

12. SHARE-BASED COMPENSATION

Stock Option Plan (“SOP”)

The Company maintains a stock option plan under which directors, officers, employees and consultants of the Company (the “Grantees”) and its affiliates are eligible to receive stock options. Pursuant to the SOP, the Board may in its discretion grant to eligible Grantees, the option to purchase common shares at the fixed price over a defined future period. Generally, the options vest over six months from the date of grant. The SOP is a rolling plan under which the maximum number of common shares reserved for issuance is 10% of the issued shares of the Company at the time of granting the options. At October 31, 2022, there are a total of 38,519,657 (April 30, 2022 – 37,519,657) stock options available for granting under the SOP.

The SOP is intended to enhance the Company’s ability to attract and retain highly qualified officers, directors, key employees and consultants, and to motivate such persons to serve the Company and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

12. SHARE-BASED COMPENSATION (continued)

Stock Options

During the period ended October 31, 2022:

- i) there were no stock options granted and share-based payments recognized.
- ii) 1,000,000 stock options were cancelled/forfeited.

During the year ended April 30, 2022:

- i) On June 1, 2021, the Company granted a total of 2,000,000 stock options to certain officers of the company's subsidiary. The options have an exercise price of \$0.05 per share and expire on June 1, 2026. The options vested at a rate of 50% upon the date of the grant and the remaining 25% six months thereafter.
- ii) The Company recognized share-based payments of \$25,823 in statement of loss and comprehensive loss for the year ended April 30, 2022.
- iii) 19,610,000 stock options were cancelled/forfeited.

The following summarizes the stock options activities:

	October 31, 2022		April 30, 2022	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding, beginning of year	25,000,000	0.05	42,610,000	0.06
Grant and issuance	-	-	2,000,000	0.05
Cancelled/Forfeited	(1,000,000)	0.05	(19,610,000)	0.08
Total Outstanding	24,000,000	0.05	25,000,000	0.05
Total Outstanding and Exercisable	24,000,000	0.05	25,000,000	0.05

During the period ended October 31, 2022, the Company transferred \$26,171 (October 31, 2021 - \$669,694) from reserves to deficit for stock options forfeited and options that expired unexercised.

The following summarizes the stock options outstanding at October 31, 2022:

Expiry Date	Exercise Price	Weighted Average Contractual Life (Years)	Number of Options Issued and Outstanding	Number of Options Exercisable
March 9, 2023	\$ 0.20	0.35	90,000	90,000
April 23, 2024	\$ 0.05	1.48	15,900,000	15,900,000
May 26, 2024	\$ 0.05	1.57	8,010,000	8,010,000
	\$ 0.05	1.51	24,000,000	24,000,000

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

12. SHARE-BASED COMPENSATION (continued)

Stock Options (continued)

For valuation purposes, the fair values of compensation options granted were estimated on their dates of issue using the Black-Scholes option pricing model and the following assumptions:

	October 31, 2022	April 30, 2022
Volatility Rate	-	115%
Risk-free rate	-	0.91%
Forfeiture rate	-	0%
Exercise price	-	\$0.05
Share price	-	\$0.02
Dividend yield rate	-	0%
Weighted average life	-	5.00 years

The expected price volatilities were based on the average historic volatility of three similar companies adjusted for any expected changes to future volatility, since there is no historical price data for the Company.

13. WARRANTS

No warrant activity was initiated during the period ended October 31, 2022 and year ended April 30, 2022.

During the period ended October 31, 2022, 15,910,575 warrants expired unexercised and during the year ended April 30, 2022, 3,000,000 warrants expired unexercised.

The following is a summary of warrant transactions:

	October 31, 2022		April 30, 2022	
	Number of	Weighted Average	Number of	Weighted Average
	Warrants	Exercise Price	Warrants	Exercise Price
		\$		\$
Balance, beginning of period	15,910,575	0.13	18,910,575	0.14
Expired	(15,910,575)	0.13	(3,000,000)	0.18
Balance, end of period	-	-	15,910,575	0.13

During the period ended October 31, 2022, the Company transferred \$1,273,203 (October 31, 2021 - \$Nil) from reserves to deficit for warrants that expired unexercised.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS

As at October 31, 2022 and April 30, 2022, the carrying value of all financial instruments carried at amortized cost are equivalent to fair value. The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The risk for cash and cash equivalents cash is mitigated by holding these instruments with highly rated Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its contractual obligations and financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2022, the Company had a cash balance of \$2,082,558 (April 30, 2022 - \$2,534,189) to settle current liabilities of \$241,197 (April 30, 2022 - \$215,749). The Company's future financial success will be dependent upon the ability to monetize its technologies or obtain necessary financing to meet its contractual obligations. All of the Company's current financial liabilities have contractual maturities of less than a year and are subject to normal trade terms.

		October 31, 2022	April 30, 2022
Current liabilities	Note	\$	\$
Accounts payable and accrued liabilities	9	239,520	213,936
Due to related parties	16	-	136
Liabilities of discontinued operations	19	1,677	1,677
Total current liabilities		241,197	215,749

The tables summarize the maturity profile of the Company's financial liabilities used for liquidity management and liabilities as at October 31, 2022 and April 30, 2022 based on contractual undiscounted receipts and payments.

October 31, 2022	<1 year	1-5 years	>5years
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	\$ 239,520	\$ -	\$ -
Due to related parties	-	-	-
Government grant loan	-	39,181	-
Liabilities of discontinued operations	1,677	-	-
Total financial liabilities at amortized cost	\$ 241,197	\$ 39,181	\$ -

April 30, 2022	<1 year	1-5 years	>5years
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	\$ 213,936	\$ -	\$ -
Due to related parties	136	-	-
Government grant loan	-	36,713	-
Liabilities of discontinued operations	1,677	-	-
Total financial liabilities at amortized cost	\$ 215,749	\$ 36,713	\$ -

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. The Company is not exposed to interest rate risk in respect of any loans payable and receivable which are subject to a fixed rate of interest.

(b) Foreign currency risk

The functional currency of the Company is Canadian dollar. The Company does not hedge its exposure to currency fluctuations. However, Management believes that the Company is subject to minimal foreign exchange risk as most transactions incurred are in CAD.

(c) Price risk

The Company's investments are subject to fair value fluctuations. As at October 31, 2022, if the fair value of the Company's investments had decreased/increased by 10% with all other variables held constant, other comprehensive profit or loss for the period ended October 31, 2022 would have been approximately \$62,402 higher/lower.

Fair value hierarchy

The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS (continued)

Financial assets measurement in the fair value hierarchy are presented below:

October 31, 2022	Level 1 \$	Level 2 \$	Level 3 \$
Financial assets at fair value			
Investment in shares			
FFHC	192,624	131,391	-
CannaWorld	-	-	300,000
Total	192,624	131,391	300,000

April 30, 2022	Level 1 \$	Level 2 \$	Level 3 \$
Financial assets at fair value			
Investment in shares			
FFHC	338,856	53,108	-
CannaWorld	-	-	300,000
Total	338,856	53,108	300,000

During the period ended October 31, 2022, \$101,434 (April 30, 2022 - \$Nil) was transferred between Level 2 and Level 3 for the investment in public company common shares, whose receipts is contingent on whether PED's trailing nine-month revenue exceeds the earn-out target. As at October 31, 2022, the fair value is calculated using the Black Scholes option pricing model with level 2 inputs, where quoted prices in active markets are not available directly and based on the Revenue Statement. As at April 30, 2022, the fair value is calculated using MCS with level 3 inputs, which uses the baseline revenue forecast till the end of the performance period. MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation. (Note 4).

Investment in shares	Level 2	Level 3
Fair value at April 30, 2022	53,108	300,000
Unrealized gain (loss) in FVTPL	(23,151)	101,434
Transfers	101,434	(101,434)
Fair value at October 31, 2022	131,391	300,000

The fair value of the Company's investment in shares is determined as follows:

Valuation of Assets / Liabilities that use Level 1 Inputs ("Level 1 Assets / Liabilities"). Consists of the Company's investments in public company common stock without trading restriction, where quoted prices in active markets are available.

Valuation of Assets / Liabilities that use Level 2 Inputs ("Level 2 Assets / Liabilities"). Consists of the Company's investments in public company common stock with trading restriction, where quoted prices in active markets are not available directly. (Note 4)

Valuation of Assets / Liabilities that use Level 3 Inputs ("Level 3 Assets / Liabilities"). Consists of the Company's investments in common stock,

- For investment in private company common shares, fair value was determined utilizing the share subscription price of the most recent capital financing prior to the transaction (Note 4).

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is primarily dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the cannabis company markets and its ability to compete for investor support of its technical capability. The Company's total managed capital cash of \$2,082,558 (April 30, 2022 - \$2,534,189) and equity of \$2,870,698 (April 30, 2022 - \$3,491,273).

16. RELATED PARTY TRANSACTIONS

As at October 31, 2022, amounts due to related parties totaled \$Nil (April 30, 2022 - \$136) to the CEO of WCE which are unsecured, payable on demand, and without interest.

The Company entered into the following transactions with related parties:

	October 31, 2022 \$	October 31, 2021 \$
Management fees	30,000	105,000
Accounting fees	-	847
Legal fees	22,442	-
Remuneration and benefits	75,600	78,042
Remuneration and benefits from discontinued operations	-	310,800
Share-based payments	-	22,857
	128,042	517,546

- Management fees reported consist of \$Nil (October 31, 2021- \$75,000) paid to a company of which the former President of the Company has significant interest and \$30,000 (October 31, 2021- \$30,000) was paid to a company controlled by the CFO.
- Accounting fees presented as part of professional fees consist of \$Nil (October 31, 2021 - \$847) to a company controlled by the CFO.
- Legal fees presented as part of professional fees consist of \$22,442 (October 31, 2021 - \$Nil) paid to a company of which the Corporate Secretary is a partner.
- Remuneration and benefits consist of \$75,000 to the CEO (October 31, 2021 - \$78,042 to CEO) and \$600 (October 31, 2021 - \$Nil) to a director for director compensation.
- Remuneration and benefits from discontinued operations reported as part of discontinued operations consist of \$Nil (October 31, 2021- \$160,800 to CEO of PED, \$75,000 to the CFO of PED and \$75,000 to the CTO of PED).
- Share-based payments consist of \$Nil (October 31, 2021- \$22,857 to officers of the former subsidiary PED).

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

17. SUPPLEMENTAL CASH FLOW INFORMATION

Cash payments for the period ended October 31, 2022 amounted to \$Nil. Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Government grant \$	Total \$
April 30, 2021	95,618	95,618
Cash items:		
Payments	-	-
Non-cash items:		
Interest expense*	8,346	8,346
Interest expense	4,898	4,898
Disposal of subsidiary	(72,149)	(72,149)
April 30, 2022	36,713	36,713
Cash items:		
Payments	-	-
Non-cash items:		
Interest expense	2,468	2,468
October 31, 2022	39,181	39,181

*from discontinued operations

18. SEGMENTED INFORMATION

During the period ended October 31, 2022, the Company's operations comprise of one principal reporting segment - corporate (October 31, 2021 – corporate, and development and discontinued operations). The reportable segments were determined based on the nature of the services provided and goods sold. All of the Company's assets are situated in Canada.

Reportable segments are defined as components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

	Corporate and development \$	Discontinued operations \$	Total \$
October 31, 2021			
Corporate general and administrative expenses	(513,672)	-	(513,672)
Impairment loss	(86,939)	-	(86,939)
Interest income	835	-	835
Depreciation and amortization	(17,091)	-	(17,091)
Stock-based compensation	(22,857)	-	(22,857)
Lease interest	(897)	-	(897)
Net loss from continuing operations	(640,621)	-	(640,621)
Income (loss) from discontinued operations	-	(733,595)	(733,595)
Reportable segment assets	193,594	5,411,648	5,605,242
Reportable segmented liabilities	208,432	5,375,033	5,583,465

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS

During the year ended April 30, 2022, the Company sold its subsidiaries, PED and Soma (Note 4). The sale of the subsidiaries meets the criteria of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The subsidiaries were not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statements of comprehensive loss has been restated to show the discontinued operation separately from continuing operation.

As at October 31, 2022, the liabilities of discontinued operations recognized in the consolidated statements of financial position relate to the customer deposits and accounts payable amounting to \$1,677 (April 30, 2022 – \$1,677).

	October 31, 2022	April 30, 2022
	\$	\$
Liabilities of discontinued operations		
Sales of disposable vaporizer pens – accounts payable	1,677	1,677
Total	1,677	1,677

The financial performance results of the discontinued operations, which are presented as a net amount on the consolidated statements of loss and comprehensive loss, are summarized below:

	Period ended October 31, 2022	Period ended October 31, 2021
	\$	\$
PED		
Sales	-	4,939,876
Cost of sales	-	(4,023,452)
Gross profit	-	916,424
Depreciation	-	189,814
Administrative expenses	-	506,215
Lease interest	-	37,729
Professional fees	-	140,823
Rent	-	102,651
Remunerations and benefits	-	722,242
Total operating expense	-	1,699,474
Loss before other expenses	-	(783,050)
Other income (expenses)		
Impairment loss	-	(60,340)
Interest and bank charges	-	(351,221)
Loss on derecognizing accounts receivable	-	(83,001)
Unrealized gain on conversion feature	-	299,707
Total other income (expenses)	-	(194,855)
Loss from discontinued operations	-	(977,905)
Allocation of income (loss) from discontinued operations:		
Equity holder of the parent	-	(292,663)
Non-controlling interest	-	(685,242)
Loss from discontinued operations	-	(977,905)

WORLD CLASS EXTRACTIONS INC.**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended October 31, 2022 and October 31, 2021**

(Unaudited- Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS (continued)

	Period ended October 31, 2022 \$	Period ended October 31, 2021 \$
SOMA		
Sales	-	100,000
Cost of sales	-	(100,000)
Gross profit	-	-
Depreciation	-	5,960
Administrative expenses	-	86,627
Consulting	-	3,379
Lease interest	-	3,172
Remunerations and benefits	-	11,923
Total operating expense	-	111,061
Loss before other expenses	-	(111,061)
Other income (expenses)		
Gain on lease liability	-	211,105
Gain on asset disposal	-	144,266
Total other income (expenses)	-	355,371
Income from discontinued operations	-	244,310
Allocation of income (loss) from discontinued operations:		
Equity holder of the parent	-	244,310
Non-controlling interest	-	-
Income from discontinued operations	-	244,310

WORLD CLASS EXTRACTIONS INC.**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended October 31, 2022 and October 31, 2021**

(Unaudited- Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS (continued)

As at January 21, 2022, the date of disposition, the net assets (liabilities) of PED derecognized totaled \$6,698,895 as detailed below:

PED	\$
Cash	8,385
Accounts receivables	595,656
Other receivables	316,365
Prepays	266,829
Plant and equipment	868,216
Right-of-use-assets	951,852
Intangibles	548,237
Accounts payable and accrued liability	(977,476)
Current portion of lease obligations	(46,460)
Long term portion of lease obligations	(996,625)
Derivative liability	(353,652)
Government grant	(35,448)
Convertible debenture	(2,689,154)
Due to related party	(299,875)
Factoring loan	(70,354)
Loans payable	(155,000)
Net assets (liabilities)	(2,068,504)
Net assets (liabilities) attributable non controlling interest	(1,544,764)
Net assets (liabilities) attributable to equity holder of the parent	(523,740)
Total net assets (liabilities)	(2,068,504)
Goodwill	8,767,399
Total net assets (liabilities) derecognized	6,698,895

As at January 21, 2022, the date of disposition, the non-controlling interest and reserves that were derecognized to deficit totaled \$5,765,448, as detailed below:

	\$
Fair value revaluation reserve	101,279
Non-controlling interest	5,664,169
Total	5,765,448

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended October 31, 2022 and October 31, 2021

(Unaudited- Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS (continued)

As at April 29, 2022, the date of disposition, the net assets (liabilities) of Soma Labs derecognized totaled \$341,623, as detailed below:

Soma Labs	\$
Cash	143,663
Sales tax receivable	10,970
Prepays	2,296
Plant and equipment	54,527
Accounts payable and accrued liability	(167,967)
Liabilities of discontinued operations	(7,201)
Customer deposits	(341,211)
Government grant	(36,700)
Total net assets (liabilities) derecognized	(341,623)

20. SUBSEQUENT EVENTS

16,949 FFHC Common Shares have been released from escrow leaving 199,196 in escrow pending PED's achievement of certain performance-based milestones in the nine-month period subsequent to the transaction.