EMPATHO HOLDINGS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2023

(IN CANADIAN DOLLARS)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Empatho Holdings Inc. (the Corporation) have been prepared by management and approved by the Audit Committee and Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditors.

EMPATHO HOLDINGS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2023

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EMPATHO HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars - Unaudited)

As at

	Notes	January 31, 2023 $	October 31, 2022 $
ASSETS			
CURRENT			
Cash		135,751	7,713
Amounts receivable and prepaids		76,319	199,085
TOTAL ASSETS		214,070	206,798
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		2,410,660	2,167,274
Loans payable	9	-	130,471
TOTAL LIABILITIES		2,410,660	2,297,745
SHAREHOLDERS' DEFICIT			
Capital stock	6	4,909,444	4,909,444
Contributed surplus	6	830,358	826,750
Accumulated deficit		(7,936,392)	(7,827,141)
		(2,196,590)	(2,090,947)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		214,070	206,798

Nature of Operations and Going Concern (Note 1)

APPROVED ON BEHALF OF THE BOARD

(signed) "Yan Namer" Yan Namer
Director

(signed) "Rakesh Jetly" Rakesh Jetly
Director

See the accompanying notes to the condensed consolidated interim financial statements.

EMPATHO HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars - Unaudited)

For the

	Notes	Three months ended January 31 2023 $	2022 $
EXPENSES			
Consulting fees	9	74,400	133,462
Stock-based compensation	6	3,608	-
Research and development		(120,615)	689,408
General and administrative		59,861	107,401
Professional fees		88,492	116,389
Investor relations		-	165,032
Listing expense	5	-	2,110,814
Foreign exchange		3,505	10,702
NET LOSS AND COMPREHENSIVE LOSS		109,251	3,333,208
NET LOSS PER SHARE – Basic and diluted		$0.00	$ 0.05
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – Basic and diluted		72,552,003	62,852,697

See the accompanying notes to the condensed consolidated interim financial statements.

EMPATHO HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
(All Amounts are in Canadian Dollars - Unaudited)

For the Periods Ended January 31, 2023 and 2022

	Number of Common Shares	Capital Stock	Contributed Surplus	Accumulated Deficit	Shareholders' Deficit
Balance, October 31, 2021	51,800,000	1,132,188	180,739	(2,495,912)	(1,182,985)
Consideration issued for RTO transaction	8,200,003	1,652,568	8,602	-	1,661,170
Units issued for subscription receipts, net of costs	12,552,000	2,122,674	626,586	-	2,749,260
Net loss for the period	-	-	-	(3,333,208)	(3,333,208)
Balance, January 31, 2022	72,552,003	4,907,430	815,927	(5,829,120)	(105,763)
Issuance of common shares, net of costs	200,000	2,014	-	-	2,014
Stock-based compensation	-	-	10,823	-	10,823
Net loss for the period	-	-	-	(1,998,021)	(1,998,021)
Balance, October 31, 2022	72,752,003	4,909,444	826,750	(7,827,141)	(2,090,947)
Stock-based compensation	-	-	3,608	-	3,608
Net loss for the period	-	-	-	(109,251)	(109,251)
Balance, January 31, 2023	72,752,003	$ 4,909,444	$ 830,358	$ (7,936,392)	$ (2,196,590)

See the accompanying notes to the condensed consolidated interim financial statements.

EMPATHO HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW
(All Amounts are in Canadian Dollars - Unaudited)

	Three months ended January 31	
	2023	**2022**
OPERATING ACTIVITIES		
Net loss for the period	$ (109,251)	$ (3,333,207)
Stock-based compensation	3,608	-
Listing expense	-	2,021,434
Accrued interest	-	-
Items not affecting cash:		
Increase in amounts receivable and prepaids	122,766	(210,540)
Increase in accounts payable and accrued liabilities	243,386	(733,502)
	260,509	(2,255,815)
INVESTING ACTIVITIES		
Cash acquired on RTO	-	115,520
	-	115,520
FINANCING ACTIVITIES		
Issuance of common shares, net of issuance costs	-	-
Cost of issuances related to subscription financing	-	-
Repayments of loans	(130,471)	-
Subscription receipts, net of issuance costs	-	-
	(130,471)	-
Change in cash and restricted cash	130,038	(2,140,565)
Opening cash and restricted cash	7,713	3,248,941
Closing cash and restricted cash	$ 137,751	$ 1,108,376

See the accompanying notes to the condensed consolidated interim financial statements.

1. Nature of Organization and Going Concern

Description of the Business
Empatho Holdings Inc. (formerly, Shane Resources Ltd.) (the "Corporation") was incorporated under the Canada Business Corporations Act on June 15,1981 ("date of incorporation").

The Corporation's registered office is at 222 Bay Street, P.O. Box 37, Suite 2600, Toronto, Ontario, Canada, M5K 1B7 and head office address is 804-750 West Pender Street, Vancouver, B.C., V6C 2T7.

On December 13, 2021, the Corporation completed its previously announced reverse takeover transaction with Empatho Corp. ("Empatho") by way of a three-cornered amalgamation (the "RTO"). Pursuant to the amalgamation agreement, Empatho amalgamated with 13348776 Canada Inc. ("Subco"), a former wholly owned subsidiary of the Corporation to form an amalgamated entity named Empatho Corp., and the securities of Empatho (the "Empatho Shares") were exchanged for securities of the Corporation (note 5).

On December 3, 2021, the Corporation changed its name from Shane Resources Ltd. to Empatho Holdings Inc. in connection with the RTO and resumed trading its common shares on the Canadian Securities Exchange ("CSE") under the symbol "EMPH" on December 29, 2021. On June 3, 2022, the Corporation listed its common shares on the OTCQB Venture Market, trading under the symbol "EMPHF".

The consolidated financial statements of the Corporation were authorized for issuance in accordance with a resolution of the directors on March 13, 2023.

The principal business of the Corporation will be to enhance personal wellbeing through the use of proprietary artificial intelligence. The Corporation is building an app which uses proprietary, science-based solutions to provide tangible tools for employers to increase the bottom line by monitoring and enhancing employee wellbeing and engagement.

These consolidated financial statements have been prepared on the basis of a going concern which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. The Corporation's ability to continue as a going concern is dependent on being able to raise the necessary funding to continue operations, through public equity, debt financings, joint arrangements and other contractual arrangements, or being able to operate profitably in the future. The Corporation has incurred losses since inception and as at January 31, 2023 has a working capital deficiency of $2,196,590 (October 31, 2022 - deficiency of $2,090,947) and an accumulated deficit of $7,936,392 (October 31, 2022 - $7,827,141). There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Corporation. If the Corporation is unable to obtain sufficient funding, the ability of the Corporation to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles as a going concern will be in doubt. These uncertainties may cast significant doubt upon the Corporation's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Corporation be unable to continue in existence.

During the year, there was a continued global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the Coronavirus outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by the Canadian government and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may continue to cause supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Corporation's business and financial conditions.

2. Basis of Preparation

Statement of Compliance
These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Corporation's October 31, 2022 consolidated audited financial statements. It is therefore recommended that these condensed consolidated interim financial statements be read in conjunction with the Corporation's October 31, 2022 consolidated audited financial statements. Any subsequent changes to IFRS that are given effect in the Corporation's annual consolidated financial statements for the year ending October 31, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

Basis of Measurement
These consolidated financial statements were prepared on a going concern basis, under the historical cost convention except for financial instruments classified at fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period.

Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 4.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(i) Subsidiaries - The following companies have been consolidated within the consolidated financial statements:

Company	**Registered**	**Principal Activity**
Empatho Corp.	Canada	Artificial Intelligence Application
Empatho Labs Inc. (1)	Ontario	Dormant

(1) 100% owned by ultimate shareholder - Empatho Corp.

Functional and presentation currency
These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. The functional currency of the Corporation's subsidiaries is also Canadian dollars.

3. Summary of Significant Accounting Policies

Cash
Cash consists of deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Share-based payment transactions
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which the share-based payments vest. The offset to the recorded cost is contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital. Upon expiry, the value is transferred to deficit.

At the end of each reporting period, the Corporation revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the consolidated statements of loss and comprehensive loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, are also charged to the consolidated statements of loss and comprehensive loss.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Income Taxes
Income tax expense comprises current and deferred tax. Tax is recognized in the consolidated statements of loss and comprehensive loss except to the extent it relates to items recognized directly in equity.

Current Income Tax
Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax
Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statements of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Earnings (Loss) Per Share
The Corporation presents basic earnings (loss) per share for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders on the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments
The following table shows the classification of the Corporation's financial instruments under IFRS 9:

Financial assets	
Cash	FVTPL
Restricted cash	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Subscription receipt liability	Amortized cost
Loan payable	Amortized cost

The Corporation classifies its financial assets in one of the following categories: (1) at fair value through profit or loss ("FVTPL"), (2) at amortised cost or (3) at fair value through other comprehensive income ("FVTOCI"). The classification depends on the purpose for which the financial assets were acquired, the business model in which they are managed and their cash flow characteristics. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss in the period in which they arise.

Amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current or non-current based on their maturity date.

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 de-recognition of the investment.

Impairment of financial assets at amortized cost
The Corporation recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Corporation measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial

asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Corporation measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Corporation recognizes in the statements of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Corporation also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value hierarchy

The Corporation uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Cash has been measured at fair value using Level 1 inputs. The carrying value of restricted cash, accounts payable and accrued liabilities, loan payable and subscription receipt liability approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

Recent Accounting Pronouncements
Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Corporation’s consolidated financial statements, except as follows:

IAS 1, Presentation of Financial Statements
In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied

retrospectively. The adoption of the above standard is not expected to have a material impact on the Corporation's consolidated financial statements.

4. Summary of Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Significant estimates and judgements made in preparation of these consolidated financial statements include:

Going Concern
Management applies judgement in its assessment of going concern and uncertainties of the Corporation's ability to raise additional capital and/or obtain financing to advance the business.

Share-based payments
Management determines costs for share-based payments using the Black-Scholes option pricing model. The fair value of the market-based and performance-based share awards are determined at the date of grant and incorporates Black- Scholes input assumption's including the future volatility of the stock price, expected dividend yield, and expected life. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Recognition and valuation of deferred tax assets
The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future or whether taxable temporary differences will reverse such that deferred tax assets can be utilized. Recognition therefore involves a degree of estimation and judgement regarding the future financial performance or the timing of the reversed deferred tax liabilities where deferred tax assets have been recognized.

Recognition of internally generated intangible assets
The Corporation is in the process of building an app which is expected to generating revenue in future periods. Management applies judgement in its assessment of the app and whether it meets the definition of an internally generated intangible asset in the research or development phase.

5. Reverse Takeover Transaction

On December 13, 2021, Empatho completed its RTO transaction with Corporation (Note 1), whereby the Corporation acquired 100% of the issued and outstanding common shares of Empatho through the amalgamation of Empatho and Subco, a wholly-owned subsidiary of the Corporation.

On closing of the RTO and pursuant to the amalgamation agreement dated December 13, 2021, the following steps were taken to take effect to the RTO:

- The Corporation completed a consolidation of its common shares, options and warrants on the basis of one (1) post-consolidated security of the Corporation for every 6.15099 pre-consolidated security of the Corporation, resulting in 4,000,003 post-consolidated common shares, 200,000 post-consolidated stock options exercisable at a price of $0.15 (exercised concurrent with the RTO) and 81,287 post-consolidated warrants exercisable at a price of $0.492 up until May 27, 2024 outstanding.

- All issued and outstanding classes of common shares and warrants of Empatho were exchange for post-consolidated common shares of the Corporation on a one-to-one basis. As a result of the exchange, the exercise price of the warrants remained unchanged and there was no incremental fair value identified in relation to the exchange.

- An additional 4,000,000 post-consolidated common shares (the "Finder Shares") were issued to finders in connection with the RTO at no additional cost to the finders.

Upon closing of the RTO, the shareholders of Empatho Corp. held a total of 51,800,000 common shares of the Corporation, representing 84.9% of the common shares of the Corporation before taking affect to the subscription receipt financing (note 6). Accordingly, the acquisition of Empatho was considered a reverse acquisition of the Corporation by Empatho.

However, as the Corporation did not meet the definition of a business as defined by IFRS 3 Business Combinations ("IFRS 3"), it has been accounted for as a share-based payment transaction in accordance with IFRS 2. The accounting for this transaction resulted in the following:

a) The consolidated financial statements of the combined entity are issued under the legal parent, the Corporation, but are considered a continuation of the consolidated financial statements of the legal subsidiary, Empatho.

b) As Empatho is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

c) Since the shares allocated to the former shareholders of the Corporation on closing of the RTO are considered within the scope of IFRS 2, and the Corporation cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of Shane acquired on closing was expensed in the consolidated statements of loss and comprehensive loss as a listing expense.

The fair value of the 4,000,003 common shares issued and outstanding with shareholders of the Corporation and the 4,000,000 Finder Shares issued on closing of the RTO was determined by reference to the fair value of the common shares issued pursuant to the subscription receipt financing completed by the Corporation, determined to be $0.20 on the date of close.

The fair value of the 200,000 common shares issued pursuant to the required exercise of stock options by shareholders of the Corporation was determined by reference to the fair value of the common shares as described above, with the cash proceeds received on exercise included as part of the net assets acquired in connection with the RTO.

The fair value of the 81,287 warrants issued and outstanding with shareholders of Shane were estimated at $8,602 using the Black-Scholes Option Pricing Model using the following assumptions: share price of $0.20; expected dividend yield of 0%; risk-free interest rate of 1.00%; volatility of 100% and an expected life of 2.46 years.

At the date of acquisition on December 13, 2021, the RTO was recorded as follows:

(Expressed in Canadian Dollars - Unaudited)

Purchase price consideration paid		**December 13, 2021**
Fair value of common shares issued	$	806,131
Fair value of common shares issued on exercise of stock options		40,307
Fair value of warrants issued		8,602
Fair value of Finders Shares		806,130
Total consideration issued		1,661,170
Net identifiable assets (liabilities) acquired		
Cash		1,134
Amounts receivable		58,113
Accounts payable and accrued liabilities		(35,332)
Total net identifiable assets		23,915
Allocated to listing expense	**$**	**1,637,255**

6. Capital Stock

Common Shares

The Corporation is authorized to issue an unlimited number of common shares.

The change in the share capital for the periods ended January 31, 2023 and October 31, 2022 was as follows:

	Number	**Capital Stock $**	**Contributed Surplus $**
Balance, November 20, 2020	-	-	-
Shares issued on incorporation (i)	100,000	2,000	-
Founder shares for cash, net of issuance costs (ii)	41,200,000	608,188	-
Shares for cash, net of issuance costs (iii)	10,500,000	522,000	-
Issue of warrants	-	-	180,739
Balance, October 31, 2021	51,800,000	1,132,188	180,739
Consideration issued for RTO transaction (Note 5)	8,200,003	1,652,568	8,602
Units issued for subscription receipts (iv)	12,552,000	2,122,674	626,586
Issuance of common shares, net of costs (v)	200,000	2,014	-
Stock-based compensation	-	-	10,823
Balance, January 31, 2023 and October 31, 2022	72,752,003	4,909,444	826,750

i. The Corporation issued 100,000 shares for cash of $100 on incorporation. The subscription price of the shares issued on incorporation was later adjusted to $0.02, resulting in further cash of $1,900 received.

ii. During the period ended October 31, 2021, the Corporation originally issued 41,200,000 common shares at a price of $0.005 per common share for gross proceeds of $206,000. The subscription price of the Founder shares was later adjusted and further balances of $402,188, net of costs of $12,696 were received.

iii. During the period ended October 31, 2021, the Corporation raised $525,000 via subscriptions at a price of $0.05 per share. Costs of $3,000 were incurred related to this placement.

iv. During the year ended October 31, 2021, the Corporation issued a total of 12,552,000 subscription receipts, each at a price of $0.25. Pursuant to the completion of the Corporation’s RTO transaction (Note 5), each subscription receipt was exchanged for one unit of the Corporation (each, a “Unit”), comprised of one (1) common share and one (1) common share purchase warrant. Each warrant shall entitle the holder to purchase one (1) common share of the Corporation at a price of $0.50 per common share up until June 29, 2023. In connection with the subscription receipt financing, cash commissions and legal fees were incurred by the Corporation totaling $388,740. Additionally, 1,004,160 finder warrants were issued to finders, each exercisable into a Unit of the Corporation at a price of $0.25 up until June 29, 2023, fair valued at $117,162 using the Black-Scholes Option Pricing model with the following assumptions: share price of $0.25, expected dividend yield of 0%, risk-free interest rate of 0.92%, volatility of 100% and an expected life of 1.54 years.

(Expressed in Canadian Dollars - Unaudited)

The proceeds received from the subscription receipt financing, net of issuance costs were allocated between share capital and contributed surplus based on the relative fair value of the common shares and warrant comprised in the Unit. Accordingly, the fair value of the warrants comprised within the Units was determined to be $509,424 using the Black-Scholes Option Pricing model with the following assumptions: share price of $0.20, expected dividend yield of 0%, risk-free interest rate of 0.92%, volatility of 100% and an expected life of 1.54 years.

v. On June 1, 2022, the Corporation issued 200,000 common shares at a price of $0.01 per common share for gross proceeds of $2,014.

Warrants

On June 1, 2021, the Corporation issued 5,000,000 common share purchase warrants (each referred to herein as a “Founders Warrant”) to certain founders, executives and consultants of the Corporation. Each Founders Warrant is exercisable into one common share of the Corporation at an exercise price of $0.02 for a period of two-years, maturing on June 1, 2023. The fair value of these Founders Warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumption: Share price of $0.05; expected dividend yield 0%; risk-free interest rate of 0.32%; volatility of 100% and an expected life of two years. The fair value assigned to these warrants was $180,738 and was recognized in the statement of loss and comprehensive loss during the period ended October 31, 2021.

	January 31, 2023		**October 31, 2022**	
	Number	**Average Exercise Price**	**Number**	**Average Exercise Price**
Balance, beginning of period	5,000,000	$0.02	5,000,000	$0.02
Issued (note 6(iv), note 5)	13,637,447	$0.48	13,637,447	$0.48
Balance, end of period	18,637,447	$0.36	18,637,447	$0.36

Number of Warrants	**Exercisable Warrants**	**Weighted Average Exercise Price**	**Expiry Date**	**Years to Maturity**
5,000,000	5,000,000	$0.02	June 1, 2023	0.33
12,552,000	12,552,000	$0.50	June 29, 2023	0.41
81,287	81,287	$0.49	May 27, 2024	1.32
1,004,160	1,004,160	$0.25	June 29, 2023	0.35
18,637,447	18,637,447	$0.36		0.39

(Expressed in Canadian Dollars - Unaudited)

Stock options

The Corporation has established a share-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Corporation as well as persons providing ongoing services to the Corporation. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation. Unless otherwise determined by the Board of Directors of the Corporation (the "**Board**"), the exercise price of options equals at least the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten-year term in accordance with TSX Venture Exchange policy.

At January 31, 2023, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
1,530,000	$0.05	October 1, 2027

Stock option transactions and the number of stock options outstanding are summarized as follows:

	January 31, 2023		October 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,530,000	$0.05	—	—
Granted	—	—	1,530,000	$0.05
Exercised	—	—	—	—
Cancelled/Expired	—	—	—	—
Outstanding, end of period	1,530,000	$0.05	1,530,000	$0.05
Exercisable, end of period	765,000	$0.05	765,000	$0.05

On October 1, 2022, the Corporation granted a total of 1,530,000 stock options to certain officers, directors and consultants of the Corporation, exercisable into common shares of the Corporation at a price of $0.05 per common share until October 1, 2027. 50% of the stock options are to vest on the date of grant, with the remaining options to vest in two equal tranches on the 6 month and 12 month anniversary from the grant date. The fair value of the stock options was determined to be $25,317 using the Black-Scholes Option Pricing Model.

During the period ended January 31, 2023, the Corporation recognized stock-based compensation in the consolidated statements of loss and comprehensive loss totaling $3,608 (year ended October 31, 2022 - $10,823) related to the vesting of stock options.

The following assumptions were used for the Black-Scholes valuation of stock options granted during the year ended October 31, 2022:

(Expressed in Canadian Dollars - Unaudited)

	2022
Risk-free interest rate	3.32%
Expected life	5.0 years
Annualized volatility	100%
Dividend rate	0%

7. Capital Risk Management

The Corporation considers its capital to be equity, comprised of share capital, contributed surplus and accumulated deficit. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue to operate and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new common shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing efforts, the Corporation does not pay out dividends.

The Corporation expects its current capital resources will be sufficient to carry its operations. The Corporation is not subject to any externally or internally imposed capital requirements as at January 31, 2023 or at October 31, 2022.

The Corporation's capital under management as at January 31, 2023 is a shareholders' deficit of $2,196,590 (October 31, 2022 – shareholders' deficit of $2,090,947).

8. Financial Instruments and Risk Management

Risk Management

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

Liquidity Risk

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is equity financing, which is used to finance working capital and capital expenditure requirements, and to meet the Corporation's financial obligations associated with financial liabilities. The Corporation's accounts payable and accrued liabilities generally have contracted maturities of less than 30 days and are subject to normal trade terms.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

(Expressed in Canadian Dollars - Unaudited)

As at January 31, 2023, the Corporation holds $Nil (October 31, 2022 - $130,471) of interest-bearing debt. There was no cash flow interest rate risk because the interest rate was fixed at 1.25%.

Market Risk
Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: credit risk, currency risk and other price risk.

Credit Risk

Credit risk arises from the possibility that debtors may not be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Corporation's credit risk is on its cash. Management assesses credit risk related to cash and restricted cash as remote.

Currency Risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. Management believes the foreign exchange risk derived from currency conversions is minimal, and therefore does not hedge its foreign exchange risk. As at January 31, 2023, a 10% fluctuation in the foreign exchange rate would not have a significant impact (October 31, 2022 - $81,740) in the Corporation's consolidated statements of loss and comprehensive loss.

Other Price Risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk as at January 31, 2023.

9. Transactions with Related Parties

Related parties include the Board of Directors, Key Management Personnel, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation directly or indirectly, including any directors (executive and non-executive) and corporate officers of the Corporation.

Remuneration attributed to key management in the periods ended January 31, 2023 and 2022 can be summarized as follows:

	For the three-month period ended	
	January 31, 2023	**January 31, 2022**
Consulting fees	$ 97,680	$ 133,462
Director fees	-	-
Stock-based compensation	3,608	-
	$ 101,288	$ 133,462

At January 31, 2023, $381,142 (October 31, 2022, $273,691) was payable to key management and directors. At January 31, 2023, $96,000 (October 31, 2022, $96,000) was payable to Directors. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties. The amounts payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the period ended October 31, 2022, a consulting company participated in a private placement completed by the Corporation, resulting in a total of 2,320,000 Units issued in exchange for consideration totaling $580,000. The consulting company who participated in private placement also earned investor relations fees during the period ended October 31, 2022 totaling $240,000. At January 31, 2023 and October 31, 2022, $327,700 was payable to the consulting company. During the period ended October 31, 2021, the consulting company also advanced $81,925 to the Corporation as a deposit on future products or services to be provided by the Corporation. The advance is included in accounts payables and accrued liabilities in the consolidated statements of financial position as at January 31, 2023 and October 31, 2022. During the year ended October 31, 2022, the consulting company also received 1,000,000 common shares in connection with the Finder Shares issued on closing of the RTO, valued at $201,533.

During the year ended October 31, 2022, the Corporation entered into two short-term loan arrangements with related parties for aggregate principal amounts totaling $80,000 and $50,000. Both loan arrangements were subject to interest at a rate of 1.25% per annum. The full principal and accrued interest was repaid on the two loan arrangements on November 24, 2022 and December 31, 2022. In connection with these loan arrangements, interest expense totaling $471 was paid.

10. Income Taxes

This note has not been updated for the current period.