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**BALSAM TECHNOLOGIES CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – prepared by management)**

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**BALSAM TECHNOLOGIES CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

As at March 31, 2021 and September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	March 31, 2021	September 30, 2020
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 845,081	\$ 457,930
Accounts receivable	19,723	12,211
Total assets	\$ 864,804	\$ 470,141
<b>LIABILITIES AND EQUITY</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 4 and 7)	\$ 424,766	\$ 251,208
Loan payable (Note 5)	32,224	31,312
Total liabilities	456,990	282,520
<b>EQUITY</b>		
Share capital (Note 6)	17,057,632	16,483,003
Share-based compensation reserve (Note 6)	1,860,580	1,860,580
Warrant reserve (Note 6)	288,995	288,995
Deficit	(18,799,393)	(18,444,957)
Total equity	407,814	187,621
Total liabilities and shareholders' equity	\$ 864,804	\$ 470,141

Nature of business and continuance of operations (Note 1)

Subsequent events (Note 10)

Approved and authorized by the Board of Directors:

"Joel Shacker"  
Joel Shacker, Director

"Geoff Balderson"  
Geoff Balderson, Director

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

**BALSAM TECHNOLOGIES CORP.**  
**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

For the three and six months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended March 31,		Six months ended March 31,	
	2021	2020	2021	2020
<b>EXPENSES</b>				
Consulting fees (Note 7)	\$ 250,389	\$ 24,600	\$ 302,889	\$ 58,200
Interest and bank charges	765	432	1,315	471
Office and miscellaneous	87	-	5,678	-
Professional fees	11,066	2,365	18,667	3,734
Rent	9,000	-	18,000	12,000
Transfer agent and filing fees	4,387	10,964	7,887	13,457
Travel expenses	-	-	-	4,256
	275,695	38,361	354,436	92,118
Net loss before other item	(275,695)	(38,361)	(354,436)	(92,118)
<b>OTHER ITEM</b>				
Interest income	-	-	-	1,307
Net loss and comprehensive loss for the period	\$ (275,695)	\$ (38,361)	\$ (354,436)	\$ (90,811)
<b>Basic and diluted loss per share</b>	<b>(0.03)</b>	<b>(0.02)</b>	<b>(0.06)</b>	<b>(0.05)</b>
<b>Weighted average number of common shares outstanding</b>	<b>7,928,436</b>	<b>1,748,123</b>	<b>6,108,082</b>	<b>1,748,123</b>

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

**BALSAM TECHNOLOGIES CORP.**  
**STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**

For the six months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	SHARE CAPITAL		RESERVES			Total Equity (Deficiency)
	Number of Shares	Amount	Share-based Compensation Reserve	Warrant Reserve	Deficit	
<b>Balance at September 30, 2019</b>	1,748,313	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (18,160,419)	\$ (14,577)
Net loss for the period	-	-	-	-	(90,811)	(90,811)
<b>Balance at March 31, 2021</b>	1,748,313	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (18,251,230)	\$ (105,388)
<b>Balance at September 30, 2020</b>	5,319,740	\$ 16,483,004	\$ 1,860,580	\$ 288,995	\$ (18,444,957)	\$ 187,622
Private placement	2,608,696	600,000	-	-	-	600,000
Share issue cost	-	(25,372)	-	-	-	(25,372)
Net loss for the period	-	-	-	-	(354,436)	(354,436)
<b>Balance at March 31, 2021</b>	7,928,436	\$ 17,057,632	\$ 1,860,580	\$ 288,995	\$ (18,799,393)	\$ 407,814

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

**BALSAM TECHNOLOGIES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

For the six months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	<b>Six months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss from for the period	\$ (354,436)	\$ (90,811)
Items not involving cash:		
Accrued interest payable	913	409
Changes in non-cash working capital items:		
Accounts receivable	(7,512)	66,751
Prepaid expenses and deposits	-	15,000
Accounts payable and accrued liabilities	173,558	(5,906)
	<b>(187,477)</b>	<b>(14,557)</b>
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash	600,000	-
Share issue cost - cash	(25,372)	-
Loan payable	-	30,000
	<b>574,628</b>	<b>30,000</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>387,151</b>	<b>15,443</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>457,930</b>	<b>1,221</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 845,081</b>	<b>\$ 16,664</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 287,440	\$ 16,664
Funds held in trust	557,641	-
Cash and cash equivalents	<b>\$ 845,081</b>	<b>\$ 16,664</b>

During the periods presented, no amounts were paid for interest or income taxes.

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

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

March 31, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS**

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol "REW.H". Effective October 8, 2020, the Company changed its name to Balsam Technologies Corp and trade under the trading symbol "BTEC.H". The Company has entered into a letter of intent to acquire Blender Bites Inc. (Note 10).

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$354,436 for the period ended March 31, 2021. As at March 31, 2021, the Company had an accumulated deficit of \$18,799,393. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's continued existence is dependent upon its ability to raise additional capital and to identify and acquire a suitable business opportunity. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

There was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations.

These financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PRESENTATION**

a) Statement of compliance

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

The condensed interim financial statements were authorized for issue by the Audit Committee and approved and authorized for issue by the Board of Directors on May 27, 2021.

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

March 31, 2021

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**2. BASIS OF PRESENTATION – (cont'd)**

b) Basis of measurement

These financial statements have been prepared on a historical basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars which is the Company's functional currency.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements for the year ended September 30, 2020. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2020.

Use of estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of management judgments include:

The going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The Company bases its estimates and judgments on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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	<b>March 31, 2021</b>	<b>September 30, 2020</b>
Accounts payable	\$ 414,196	\$ 236,708
Accrued liabilities	10,570	14,500
	<b>\$ 424,766</b>	<b>\$ 251,208</b>

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**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

March 31, 2021

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**5. LOAN PAYABLE**

On January 9, 2020, the Company received a promissory note of \$30,000 from a third party which bears interest at 6% per annum, unsecured and repayable by July 9, 2020 and remains outstanding as at March 31, 2021. Loan payable consist of the following:

	<b>March 31, 2021</b>	<b>September 30, 2020</b>
Opening balance	\$ 31,312	\$ -
Loan received	-	30,000
Accrued interest	912	1,312
Ending balance	\$ 32,224	\$ 31,312

**6. SHARE CAPITAL**

a) Authorized:  
unlimited common shares, without par value

b) Issued and outstanding:

During the six months ended March 31, 2021:

On February 4, 2021, the Company completed a non-brokered private placement of up to 2,608,695 units at a price of \$0.23 per unit for gross proceeds of up to \$600,000. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.31 for a period of twelve months expiring on February 4, 2022. The Company recorded \$25,372 in cash share issuance costs.

During the year ended September 30, 2020:

On August 27, 2020, the Company issued 3,571,427 units at a price of \$0.14 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one share purchase warrant with each share purchase warrant entitling the holder the right to purchase an additional common share at a price of \$0.185 per share expiring on August 27, 2021. The Company incurred \$13,263 in share issuance costs.

c) Stock options

The Company has a stock option plan (the "Plan") that permits the grant of share purchase options up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms of the options granted are subject to determination and approval by the Board of Directors.

There were no stock options granted during the six months ended March 31, 2021 and for the year ended September 30, 2020.



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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

March 31, 2021

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**6. SHARE CAPITAL – (cont'd)**

d) Warrants

The table below summarizes the information on the outstanding warrants of the Company for the six months ended March 31, 2021 and for the year ended September 30, 2020:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2019	-	\$ -
Issued	3,571,427	0.185
Balance, September 30, 2020	3,571,427	\$0.185
Issued	2,608,696	0.31
Balance, March 31, 2021	6,180,123	\$0.24

As at March 31, 2021, the Company has 6,180,123 share purchase warrants outstanding expiring as follows:

Number of Warrants	Exercise Price	Expiry Date
3,571,427	\$0.185	August 27, 2021
2,608,696	\$0.31	February 4, 2022
6,180,123		

**7. RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the six months ended March 31, 2021 and 2020 are as follows:

	For the six months ended March 31.	
	2021	2020
<u>Consulting fees</u>		
Enermetals Ventures Inc. (Pat Morris, Director and former CEO)	\$ -	\$ 30,000
Harmony Corporate Services Ltd; (Geoff Balderson, Director and CFO)	1,779	19,200
1156724 BC Ltd. (Joel Shacker, Director and CEO)	60,000	-
	\$ 61,779	\$ 49,200

Accounts payable and accrued liabilities at March 31, 2021, includes \$177,035 (September 30, 2020 - \$114,035) owing to companies controlled by directors and officers of the Company for unpaid fees.

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

March 31, 2021

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**8. FINANCIAL INSTRUMENTS**

The carrying values of cash, accounts receivable, loans payable, and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis.

Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and consider the implications of market conditions in relation to the Company's activities.

There are no changes in the Company's objective, policies and processes for managing the risks and the methods used to measure the risks during the period ended March 31, 2021.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest-bearing accounts.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days. The Company uses cash to settle its financial obligations as they fall due. As at March 31, 2021, the Company has a working capital of \$407,814. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

March 31, 2021

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**8. FINANCIAL INSTRUMENTS – (cont'd)**

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at March 31, 2021. Interest rate risk is minimal as loans have a fixed interest rate.

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at March 31, 2021, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk to be negligible.

(iii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

**9. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There were no changes to the Company's approach to capital management during the period ended March 31, 2021.

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

March 31, 2021

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**10. SUBSEQUENT EVENTS**

On March 16, 2021, the Company entered into a Letter of Intent (“LOI”) to acquire all of the outstanding share capital of Blender Bites Inc. (“Blenders Bites”) a British Columbia company. As consideration the Company proposes to issue 11,500,000 common shares to the existing shares of Blender Bites in exchange for all of the outstanding shares of Blenders Bites. Prior to closing of the transaction, the Company intends to apply to list its common shares on the Canadian Securities Exchange (“CSE”) and voluntarily delist its shares from the TSX Venture Exchange (“TSX-V”). On closing the Company will change its name to Blender Bites Ltd.

In connection with the completion of the transaction, the Company intends to undertake a non-broker private placement of no less than two million subscription receipts at a price of \$1 per subscription receipt to raise no less than \$2,000,000. All proceeds from the financing will be held in escrow pending completion of the transaction and will be returned to subscribers in the event the transaction is not completed. Upon completion of the transaction, each subscription receipt will automatically convert into one common share of the Company. The Company anticipates issuing two million common shares to an arm’s length third party that assisted in introducing the transaction to the Company.

Completion of the transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, the negotiation and finalization of definitive documentation, receipt of any required regulatory and third party consents, approval of minority shareholders of the company to the delisting of the company’s common shares from the TSX-V, the company having arranged for third parties to lend no less than \$1-million to Blender Bites, completion of the financing, the CSE having conditionally accepted the listing of the company’s common shares, the TSX-V having consented to the voluntarily delisting of the company’s common shares, and the satisfaction of other customary closing conditions. The transaction cannot close until the required approvals are obtained and the company’s common shares have been delisted from the TSX-V. There can be no assurance that the transaction will be completed as proposed or at all, or that the company’s common shares will be listed and posted for trading on any stock exchange.