BLENDER BITES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2023 AND 2022

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company for the three months ended January 31, 2023 have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors.

BLENDER BITES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at January 31, 2023 and October 31, 2022
(Unaudited - Expressed in Canadian Dollars)

	January 31, 2023	October 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 151,950	$ 221,272
Accounts receivable	412,351	643,487
Inventory (Note 5)	278,358	385,213
Prepaid expenses	23,273	40,967
	865,932	1,290,939
NON-CURRENT ASSETS		
Equipment (Note 6)	700,804	426,235
Trademarks (Note 6)	44,385	36,266
Total assets	$ 1,611,121	$ 1,753,440
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 7 and 10)	$ 1,038,140	$ 741,580
Promissory notes (Note 8)	35,518	35,065
	1,073,658	776,645
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 9)	21,285,949	21,285,949
Contributed surplus (Note 9)	652,954	621,501
Deficit	(21,401,440)	(20,930,655)
	537,463	976,795
Total liabilities and shareholders' equity (deficiency)	$ 1,611,121	$ 1,753,440

Nature of business and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized by the Board of Directors:

"Chelsie Hodge"	*"Geoff Balderson"*
Chelsie Hodge, Director	**Geoff Balderson, Director**

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

BLENDER BITES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended January 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Three months ended January 31, 2023	Three months ended January 31, 2022
Sales	$ 439,310	$ 759,604
Cost of goods sold (Note 5)	313,353	790,688
Gross Margin	125,957	(31,084)
EXPENSES		
Advertising and promotion	114,016	545,638
Consulting fees	142,300	261,284
Depreciation (Note 6)	2,889	7,397
Freight expense	27,321	-
Interest and accretion expense (Note 8)	453	453
New product development	54,093	35,360
Office and administration	75,887	32,074
Professional fees	13,099	27,028
Selling expense	32,937	-
Share based compensation (Note 9)	31,453	413,000
Transfer agent and filing fees	1,652	55,177
Travel expense	7,757	556
Wages and benefits (Note 10)	92,885	113,141
	(596,742)	(1,491,108)
Net loss before other item	(470,785)	(1,522,192)
OTHER ITEM		
Gain on settlement of AP	-	53,060
Other income	-	51
	-	53,111
Net loss and comprehensive loss for the period	**$ (470,785)**	**$ (1,469,081)**
Basic and diluted loss per share	**$ (0.12)**	**$ (0.40)**
Weighted average number of common shares outstanding	**4,091,672**	**3,703,735**

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

BLENDER BITES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
For the periods ended January 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	SHARE CAPITAL								
	Number of Shares		**Amount**		**Contributed Surplus**		**Deficit**		**Total Equity (Deficiency)**
Balance at October 31, 2021	3,676,839	$	18,126,510	$	1,859,000	$	(16,297,713)	$	3,687,797
Consolidation adjustment	(2)		-		-		-		-
Shares issued for debt	20,989		212,241		-		-		212,241
Exercise of warrants	298,846		741,138		-		-		741,138
Share based compensation	-		-		413,000		-		413,000
Net loss for the period	-		-		-		(1,469,081)		(1,469,081)
Balance at January 31, 2022	**3,996,672**	**$**	**19,079,889**	**$**	**2,272,000**	**$**	**(17,766,794)**	**$**	**3,585,095**
Balance at October 31, 2022	4,091,672	$	21,285,949	$	621,501	$	(20,930,655)	$	976,795
Share based compensation	-		-		31,453		-		31,453
Net loss for the period	-		-		-		(470,785)		(470,785)
Balance at January 31, 2023	4,091,672	$	21,285,949	$	652,954	$	(21,401,440)	$	537,463

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

BLENDER BITES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended January 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Three months ended January 31, 2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	$ (470,785)	$ (1,469,081)
Items not involving cash:		
Depreciation	18,955	7,397
Interest and accretion expense	453	453
Share based compensation	31,453	413,000
Changes in non-cash working capital items:		
Accounts receivable	231,136	(234,490)
Inventory	106,855	(173,931)
Prepaid expenses	17,694	368,439
Accounts payable and accrued liabilities	296,560	(100,886)
Cash (used in) operating activities	232,321	(1,189,099)
INVESTING ACTIVITIES		
Purchase of equipment	(292,353)	(285,391)
Purchase of trademarks	(9,290)	-
Cash provided by (used in) investing activities	(301,643)	(285,391)
FINANCING ACTIVITIES		
Exercise of warrants	-	741,138
Cash provided by financing activities	-	741,138
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(69,322)	(733,352)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	221,272	2,587,871
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 151,950	$ 1,854,519
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -
Fair value of shares issued for debt settlement	$ -	$ 212,241

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

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

Blender Bites Limited (“BITE” or the “Company”) was incorporated on March 23, 1999, under the laws of British Columbia and is the parent company of Blender Bites (Holdings) Limited (“BBI” or “Blender Bites”). The head office and records are located at Suite 800 – 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5. Effective October 8, 2020, the Company changed its name from Rewardstream Solutions Inc. to Balsam Technologies Corp. and commenced trading under the trading symbol “BTEC.H”. Effective September 21, 2021, the Company changed its name from Balsam Technologies Corp. to Blender Bites Limited and commenced trading under the trading symbol “BITE” on the Canadian Securities Exchange (“CSE”).

The Company’s business in the manufacturing and distribution of natural and organic frozen smoothie products.

On January 19, 2022, the Company completed a share split of its common shares on the basis of 1.25 new common shares for every existing 1 common share. On July 6, 2022, the Company completed a share consolidation of its common shares on the basis of 1 common share for every existing 10 common shares. The share consolidation has been retroactively presented in the condensed interim consolidated financial statements by adjusting all share amounts, including per share amounts.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and the settlement of liabilities and commitments in the normal course of operations. The Company realized a net loss of $470,785 for the three months ended January 31, 2023. As at January 31, 2023, the Company had an accumulated deficit of $21,401,440. 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.

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.

The Company’s continued existence is dependent upon its ability to raise additional capital and to achieve profitable operations and positive cash flows. 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. If the going concern assumption were not appropriate for these financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses, and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated 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 consolidated financial statements were authorized for issue by the Audit Committee and approved and authorized for issue by the Board of Directors on March 30, 2023.

b) Basis of measurement

These condensed interim consolidated 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 functional currency of the Company and its subsidiary.

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary at the end of the reporting period:

	Incorporated	Nature	Ownership January 31, 2023	Ownership October 31, 2022
Blender Bites (Holdings) Limited	British Columbia	Consumer products	100%	100%

These condensed interim consolidated financial statements are a continuation of the financial statements of Blender Bites. The net assets of BITE at the date of the reverse acquisition are deemed to have been acquired by Blender Bites and these condensed interim consolidated financial statements include the results of operations of BITE from September 20, 2021.

The results of the wholly owned subsidiary will continue to be included in the condensed interim consolidated financial statements of the Company until the date that the Company’s control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

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 October 31, 2022. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended October 31, 2022.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the year of change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical estimates which are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months are as follows:

Recoverability of accounts receivable and allowance for credit loss

The Company provides allowances for lifetime expected credit losses based on an assessment of the recoverability of accounts receivable. Allowances are applied to accounts receivable at initial recognition based on the probability of default by the customers. Management analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for lifetime expected credit losses. Where the expectation is different from the original estimate, such difference will impact the carrying value of accounts receivable.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the Condensed interim consolidated financial statements within the next financial year are discussed below:

Going concern

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. See Note 1 for additional details.

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.

(Unaudited - Expressed in Canadian Dollars)

5. INVENTORY AND COST OF GOODS SOLD

Inventory is comprised of raw materials and finished goods held on consignment with the Company's distributors for delivery and fulfilment of sales to wholesalers. Inventory as at January 31, 2023 and October 31, 2022 consists of the following:

	January 31, 2023	October 31, 2022
Raw materials	$ 250,594	$ 229,921
Finished goods	27,764	155,292
	$ 278,358	$ 385,213

Cost of goods sold for the period ended January 31, 2023 and October 31, 2022 consists of the following:

	January 31, 2023	October 31, 2022
Depreciation	$ 16,066	$ 37,334
Freight and Shipping	3,631	44,659
Materials	293,656	3,353,314
	$ 313,353	$ 3,435,307

6. EQUIPMENT AND TRADEMARKS

The following is a summary of activities for the periods ended January 31, 2023 and October 2022:

	Moulds $	Equipment $	Trademarks $	Total $
COST				
Balance, October 31, 2021	31,113	64494	22,404	118,011
Additions	3,251	383,245	18,374	404,870
Balance, October 31, 2022	34,364	447,739	40,778	522,881
Additions	-	292,353	9,290	301,643
Balance, January 31, 2023	**34,364**	**740,092**	**50,068**	**824,524**
ACCUMULATED DEPRECIATION				
Balance, October 31, 2021	9,577	2,419	1,565	13,561
Additions	6,538	37,334	2,947	46,819
Balance, October 31, 2022	16,115	39,753	4,512	60,380
Additions	1,718	16,066	1,171	18,955
Balance, January 31, 2023	**17,833**	**55,819**	**5,683**	**79,335**
Net book value, October 31, 2022	**18,249**	**407,986**	**36,266**	**462,501**
Net book value, January 31, 2023	**16,531**	**684,273**	**44,385**	**745,189**

During the period ended January 31, 2023, amortization of $16,066 (year ended December 31, 2022 - $37,334) is included in cost of goods sold.

(Unaudited - Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2022	October 31, 2022
Accounts payable	$ 958,140	$ 688,270
Accrued liabilities	80,000	53,310
	$ 1,038,140	$ 741,580

8. PROMISSORY NOTES

During the period ended October 31, 2020, Blender Bites entered into two promissory note agreements with a significant shareholder. The first promissory note agreement is for principal of $100,000, due on demand. This note is secured against certain sales of Blender Bites. The second loan agreement, unsecured, was for $90,000 and is due on demand.

During February 2021, the Company entered into a third promissory note agreement with a significant shareholder, unsecured, for principal of $60,000 that matured in February 2022. All loans bear interest at 8%. As the promissory notes have either matured or are due within twelve months, the amounts are due on demand and are recognized as a current liability on the statements of financial position.

The following is a summary of promissory note activities for the three months ended January 31, 2023:

		Total
Balance, October 31, 2021	**$**	**33,265**
Additions		60,000
Assumed from RTO		32,658
Settled with shares		(273,580)
Interest accrued		17,640
Balance, October 31, 2022		**35,065**
Interest accrued		453
Balance, January 31, 2023	**$**	**35,518**

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares, without par value.

b) Issued and outstanding

During the three months ended January 31, 2023:
There were no share capital transactions during the three months ended January 31, 2023.

During the year ended October 31, 2022:
On January 19, 2022, the Company completed a share split of its common shares on the basis of 1.25 new common shares for every existing 1 common share. On July 6, 2022, the Company completed a share consolidation of its common shares on the basis of 1 common share for every existing 10 common shares. The share consolidation has been retroactively presented in the consolidated financial statements by adjusting all share amounts, including per share amounts.

During the year ended October 31, 2022, the Company issued an aggregate of 298,846 common shares for total proceeds of $741,138 for the exercise of warrants.

On June 16, 2022, the Company issued 95,000 shares in exchange for services performed at a price of $5.20 per share and recognized consulting fees in the amount of $494,000.

On November 22, 2021, the Company issued 20,989 common shares to settle outstanding debt of $265,301. The Company valued the shares at the market price of $12.64.

c) Stock options

The Company has a stock option plan (the "Plan") that permits the grant of stock options up to 20% 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.

The table below summarizes the information on the outstanding stock options of the Company for the period ended January 31, 2023:

	Number of Stock Options	Weighted Average Exercise Price
Balance, October 31, 2021	-	$ -
Issued	87,500	11.64
Balance, October 31, 2022	87,500	11.64
Cancelled	80,000	12.50
Balance, January 31, 2023	7,500	$ 2.50

As at January 31, 2023, the Company's outstanding stock options expire as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price ($)	Outstanding	Exercisable
September 27, 2027	4.66	2.50	7,500	3,750
	4.66	2.50	7,500	7,500

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

c) Stock options (continued)

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of stock options issued was calculated using the following weighted average assumptions:

	Three months ended January 31, 2023	Year ended October 31, 2022
Risk-free interest rate	-	1.76%
Expected option life in years	-	5 years
Expected share price volatility*	-	100%
Expected forfeiture rate	-	-
Expected dividend yield	-	Nil

*As the Company does not have enough history of trading prices, the annualized volatility was determined using the volatility of comparable companies.

During the three months ended January 31, 2023, the Company recorded $31,453 (2022 - $413,000) in share based compensation for vested stock options.

d) Warrants

The table below summarizes the information on the outstanding warrants of the Company for the period ended January 31, 2023 and year ended October 31, 2022:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 31, 2021	1,808,727	$5.51
Consolidation adjustment	6	-
Exercised	(298,846)	2.48
Balance, October 31, 2022 and January 31, 2023	1,509,887	$ 6.08

As at January 31, 2023, the Company's outstanding share purchase warrants expire as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price ($)	Outstanding
May 28, 2023	0.32	4.02	1,250,000
August 31, 2023	0.58	16.00	17,099
September 20, 2023	0.64	16.00	242,788
	0.37	6.08	1,509,887

The weighted average share price on the date warrants were exercised was $Nil (2022 – $1.01).

e) Escrow shares

628,135 shares were placed into escrow. Under the escrow agreement, 10% of the shares were released on September 20, 2021, the listing date on CSE, and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release. As at January 31, 2023, 376,881 (2021 – 565,321) shares were in escrow.

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

c) Restricted Share Units

On December 13, 2022, the Company issued 795,000 Restricted Share Units (“RSUs”) to certain directors, officers, and consultants of the Company pursuant to the Company’s 20% rolling equity incentive plan. The RSUs will vest and convert into common shares after four months, and in accordance with applicable securities legislation will be subject to a hold period of four months and one day from the date of issuance.

10. 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 periods ended January 31, 2023 and 2022 are as follows:

	For the three months ended January 31, 2023	For the three months ended January 31, 2022
Key Management Compensation		
Management fees and wages and benefits	$ 60,000	$ 90,000
	$ 60,000	$ 90,000

Accounts payable and accrued liabilities at January 31, 2023 includes $65,000 (2021 - $76,033) owing to a Company controlled by the CEO, $41,035 (2021 - $41,035) owing to a director and a company controlled by the CFO of the Company, and $30,000 owing to the CEO. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

The Company entered into employment agreement with the CEO of the Company effective September 20, 2021 and will continue indefinitely until it is terminated. The base salary is $240,000 on an annual basis. The CEO is entitled to performance bonuses based on meeting certain gross revenue thresholds. In the case of termination without cause or change of control, the CEO is entitled to an amount equal to two times of the sum of the annual base salary and bonus in lieu of notice. In accordance with the performance bonuses per the employment agreement with the CEO, subsequent to the period, the Company has approved the authorization for the issuance of 25,000 common shares pursuant to the fulfilment of the first aggregate revenue target.

11. OPERATING SEGMENTS

As of January 31, 2023 and October 31, 2022, the Company is operating its business in one reportable segment: the sale of frozen smoothie products. All non-current assets are located in Canada. During the period ended January 31, 2023, the Company had sales of $439,310 in Canada (October 31, 2022 – $3,141,112) and sales of $Nil (October 31, 2022 - $704,097) in the United States. Major customers are defined as customers that each individually account for greater than 10% of the Company’s revenues. For the three months ended January 31, 2023 and period ended October 31, 2022, the following revenue was recorded from major customers comprising 99% (2022 – 96%) of gross revenues:

	For the three months ended January 31, 2023	For the year ended October 31, 2022
Customer A	$ 331,585	$ 3,083,163
Customer B	$ 102,325	$ 593,870

12. FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and promissory notes approximate their fair values due to their short-term nature.

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 maximum credit risk the Company is exposed to is 100% of cash and its receivables. The Company's cash is held at a large Canadian financial institution. At January 31, 2023, $80,787 of amounts receivable is related to amounts collectible from customers. The remaining amounts receivable balance of $331,564 primarily consist of refundable government goods and services tax.

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, which are settled using cash. As at January 31, 2023, the Company has a working capital deficit of $207,726.

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 positive 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.

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 January 31, 2023. Interest rate risk is minimal as promissory notes have a fixed interest rate.

(ii) 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.

13. 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 three months ended January 31, 2023.

14. SUBSEQUENT EVENTS

On March 7, 2023, the Company closed a private placement of 238,500 units at a price of $3.08 per unit for gross proceeds of $734,580. Each unit is comprised of one common share and 1 warrant. Each warrant is exercisable at a price of $5.50 per share and expires on March 7, 2028. In accordance with the transaction, the Company issued 2,385 common shares as administrative fees to a third-party for their assistance in the transaction.

On March 17, 2023, the Company closed a private placement of 410,850 units at a price of $3.08 per unit for gross proceeds of $1,265,420. Each unit is comprised of one common share and 1 warrant. Each warrant is exercisable at a price of $5.50 per share and expires on March 17, 2028. In accordance with the transaction, the Company issued 4,109 common shares as administrative fees to a third-party for their assistance in the transaction.

On March 24, 2023, the Company issued 80,000 stock options with an exercise price of $6.62 and an expiry date of March 24, 2025, and 20,000 RSUs that vest on July 24, 2023 to a consultant.

On March 29, 2023, the Company issued 28,792 common shares with a fair value $167,857 to settle outstanding debt of $171,022.

On March 29, 2023, the Company issued 25,000 common shares with a fair value of $145,750 to the Company's CEO as a performance bonus in accordance with the fulfilment of the first aggregate revenue target stipulated in the employment agreement.