Consolidated Financial Statements
(Expressed in Canadian Dollars)

Britannia Life Sciences Inc.

March 31, 2022 and 2021

Responsibility for Consolidated Financial Statements

The Company's management is responsible for the integrity and fairness of presentation of these consolidated financial statements. The consolidated financial statements have been prepared by management, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, for approval by the Board of Directors.

Where necessary, management has made judgements and estimates in preparing the consolidated financial statements and such statements have been prepared within acceptable limits of materiality. Management maintains a system of internal accounting controls to ensure, on a reasonable and cost-effective basis, that the financial information is timely reported and is accurate and reliable in all material respects and that the Company's assets are appropriately accounted for and adequately safeguarded.

A firm of independent Chartered Professional Accountants, Zeifmans LLP, appointed by the shareholders, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provided an independent professional opinion on the consolidated financial statements.

/s/ Peter Shippen
Chief Executive Officer
July 27, 2022

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Britannia Life Sciences Inc.

Opinion on the Consolidated Financial Statements

We have audited the consolidated financial statements of Britannia Life Sciences Inc. and its subsidiaries (together, the "Company"), which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in shareholders' equity (deficiency) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis ("MD&A"), but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the MD&A and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the MD&A, and, in doing so, consider whether the MD&A is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained the MD&A prior to the date of this auditors' report. If based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting for error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

The engagement partner on the audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

Zeifmans LLP

Toronto, Ontario
July 27, 2022

Chartered Professional Accountants
Licensed Public Accountants

Britannia Life Sciences Inc.

Consolidated Statements of Financial Position

As at March 31 2022 and 2021

Expressed in Canadian Dollars

	Note	2022	2021
		$	**$**
Assets			
Current assets:			
Cash		1,631,127	828,321
Accounts receivable		1,792,466	1,686,152
Prepaid expenses		61,021	-
Total current assets		3,484,614	2,514,473
Non-current assets:			
Property and equipment	4	545,796	702,684
Investment	6(c)	445	-
Goodwill and intangible assets	5	17,059,485	18,234,344
Total non-current assets		17,605,726	18,937,028
Total assets		**21,090,340**	**21,451,501**
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	6(c), 11	3,200,654	2,031,506
Interest payable	8, 10	180,413	163,076
Current portion of lease liability	7	50,310	42,906
Director's loan	10	120,000	225,000
Sellers' loan	6, 10	4,770,419	7,726,776
Total current liabilities		8,321,796	10,189,264
Non-current liabilities:			
Lease liability	7	131,383	188,173
Convertible notes	8	-	2,363,154
Embedded derivative	8	-	2,982,172
Warrant liability	9	2,458,271	543,124
Put option liability	6	4,495,033	2,435,100
Other debt	12	122,487	-
Deferred income taxes	11	78,385	87,904
Total non-current liabilities		7,285,559	8,599,627
Total liabilities		**15,607,355**	**18,788,891**
Shareholders' equity:			
Share capital	13	17,068,847	441,204
Contributed surplus	13	157,101	157,101
Non-controlling interest		4,130,501	2,864,935
Warrant reserve	13	1,270,742	-
Options reserve	13	536,524	-
Accumulated other comprehensive loss		(1,483,347)	(61,579)
Deficit		(16,197,383)	(739,051)
Total shareholders' equity		5,482,985	2,662,610
Total liabilities and shareholders' equity		**21,090,340**	**21,451,501**

Subsequent events (note 20)

These consolidated financial statements were approved for issue on July 27, 2022 by the board of directors and signed on its behalf by:

"Peter Shippen" *"Greg Taylor"*

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

Britannia Life Sciences Inc.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the Years Ended March 31, 2022 and 2021

Expressed in Canadian Dollars

	Note	2022	2021
		$	$
Product sales and other income	15	7,299,989	1,424,615
Cost of sales	16	2,037,916	253,031
Gross Margin		5,262,073	1,171,584
Expenses			
Selling, general and administration	17	2,539,811	889,020
Finance		1,236,171	167,736
Share based payments	10, 13	1,106,524	-
		4,882,506	1,056,756
Income from operations		379,567	114,828
Other income and expense			
Foreign currency translation gain		613,047	186,615
Change in fair value of embedded derivative	8	598,722	250,820
Gain on debt settlement		444	-
Share of loss of Britannia Mining Solutions Inc.	6	(55)	-
Accretion expense	8, 12	(1,077,581)	(190,564)
Change in fair value of warrant liability	8, 9	(1,756,724)	9,724
Change in fair value of put option liability	6	(2,059,933)	29,215
Listing expense	6	(9,971,992)	-
		(13,654,072)	285,810
Income (loss) before income tax		(13,274,505)	400,638
Current income tax	11	721,111	209,670
Deferred income tax	11	(9,519)	47,992
Total income tax		711,592	257,662
Net income (loss)		(13,986,097)	142,976
Other comprehensive loss			
Currency translation differences		(1,628,437)	(73,919)
Comprehensive income (loss) for the year		(15,614,534)	69,057
Net income (loss) attributable to:			
Non-controlling interest		1,472,235	300,138
Equity shareholders of the Company		(15,458,332)	(157,162)
Net income (loss)		(13,986,097)	142,976
Other comprehensive income (loss) attributable to:			
Non-controlling interest		(206,669)	(24,547)
Equity shareholders of the Company		(1,421,768)	(49,372)
Other comprehensive income (loss)		(1,628,437)	(73,919)
Basic and diluted weighted average shares outstanding		109,501,513	77,626,332
Basic and diluted earnings (loss) per share		(0.14)	(0.002)

Britannia Life Sciences Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended March 31, 2022 and 2021
Expressed in Canadian Dollars

	Number of common shares	Share capital	Contributed surplus	Warrant reserve	Options reserve	Deficit	Accumulated other comprehensive loss	Equity (deficiency) attributable to shareholders of the Company	Non-controlling interest	Total
		$	$	$	$	$	$	$	$	$
Balance at March 31, 2020	**77,626,332**	**441,981**	**157,101**	**-**	**-**	**(581,889)**	**(12,207)**	**4,986**	**-**	**4,986**
Share issuance costs	-	(777)	-	-	-	-	-	(777)	-	(777)
Business combination	-	-	-	-	-	-	-	-	2,589,344	2,589,344
Net income (loss) for the year	-	-	-	-	-	(157,162)	-	(157,162)	300,138	142,976
Other comprehensive loss for the year	-	-	-	-	-	-	(49,372)	(49,372)	(24,547)	(73,919)
Balance at March 31, 2021	**77,626,332**	**441,204**	**157,101**	**-**	**-**	**(739,051)**	**(61,579)**	**(202,325)**	**2,864,935**	**2,662,610**
Share issuance costs	-	(12,937)	-	-	-	-	-	(12,937)	-	(12,937)
Shares issued on conversion of debt	50,956,082	7,882,384	-	-	-	-	-	7,882,384	-	7,882,384
Equity issued for amalgamation	30,301,925	8,181,524	-	1,273,214	-	-	-	9,454,738	-	9,454,738
Warrants exercised	20,000	6,672	-	(2,472)	-	-	-	4,200	-	4,200
Options issued	-	-	-	-	536,524	-	-	536,524	-	536,524
Share-based payment	3,000,000	570,000	-	-	-	-	-	570,000	-	570,000
Net income (loss) for the year	-	-	-	-	-	(15,458,332)	-	(15,458,332)	1,472,235	(13,986,097)
Other comprehensive loss for the year	-	-	-	-	-	-	(1,421,768)	(1,421,768)	(206,669)	(1,628,437)
Balance at March 31, 2022	**161,904,339**	**17,068,847**	**157,101**	**1,270,742**	**536,524**	**(16,197,383)**	**(1,483,347)**	**1,352,484**	**4,130,501**	**5,482,985**

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

Britannia Life Sciences Inc.
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2022 and 2021
Expressed in Canadian Dollars

	Note	2022	2021
		$	$
OPERATING ACTIVITIES			
Net Income (loss)		**(13,986,097)**	142,976
Adjustments for items not involving cash			
Depreciation and amortization	4, 5	**189,536**	35,454
Non-cash listing fees	6	**9,375,955**	-
Share-based payments	10, 13	**1,106,524**	-
Interest on lease liability	7	**34,617**	4,660
Accrued interest on Sellers' loan	10	**180,413**	-
Foreign currency translation gain		**1,151,418**	(31,083)
Change in fair value of embedded derivative	8	**(598,722)**	(250,820)
Change in fair value of put liability	6	**2,059,933**	(29,215)
Change in fair of warrant liability	8, 9	**1,756,724**	(9,724)
Accretion expense	8, 12	**1,077,581**	190,564
Share of loss of Britannia Mining Solutions Inc.	6	**55**	-
Deferred income tax	11	**(9,519)**	47,992
		2,338,418	100,804
Changes in non-cash working capital items			
Accounts receivable		**(100,583)**	(236,417)
Prepaid expenses		**(54,211)**	-
Accounts payable and accrued liabilities		**615,785**	(450,963)
Total changes in non-cash working capital items		**460,991**	(687,380)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**2,799,409**	(586,576)
INVESTING ACTIVITIES			
Cash acquired on reverse takeover	6	**741,032**	-
Purchase (acquisition) of equipment	4	**(87,083)**	43,084
Acquisition of subsidiary		**-**	(4,956,200)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**653,949**	(4,913,116)
FINANCING ACTIVITIES			
Proceeds on issuance of convertible debt	8	**1,408,057**	5,997,048
Director's loan	10	**120,000**	225,000
Share issuance costs	13	**-**	(777)
Warrants exercised	13	**4,200**	-
Principal and interest payment on Sellers' loan	10	**(3,439,102)**	-
Costs incurred related to reverse takeover	6	**(596,037)**	-
Lease payments	7	**(76,425)**	(19,148)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(2,579,307)**	6,202,123
Effect of exchange rate changes on cash and cash equivalents		**(71,245)**	(15,004)
Increase in cash and cash equivalents		**802,806**	687,427
Cash and cash equivalents at beginning of year		**828,321**	140,894
Cash and cash equivalents at end of year		**1,631,127**	828,321

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

1. Nature and Continuance of Operations

Britannia Life Sciences Inc. ("BLS" or "Britannia") (together with its subsidiaries, the "Company") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The address of the Company's registered office is 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. The Company provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries in the United Kingdom and globally.

On November 12, 2021, Britannia Bud Canada Holdings Inc. ("BBCH") completed its reverse takeover transaction ("RTO") with Rise Life Science Corp ("RISE") (formerly RLSC: CSE). As part of the RTO, BBCH and 2830026 Ontario Inc., a wholly owned subsidiary of RISE ("RISE Subco"), amalgamated by way of a triangular amalgamation under the Business Corporations Act (Ontario) (the "Amalgamation"). RISE has changed its name to BLS and continues as the reporting issuer (BLAB: CSE).

Upon the Amalgamation, shareholders of BBCH (the "BBCH Shareholders") exchanged their BBCH shares for BLS Shares, at an exchange ratio of 120:1. Immediately prior to the effective time of the Amalgamation, the convertible debentures of BBCH automatically converted to BBCH shares at post-consolidation US$0.155 per BBCH share, and the BBCH shares issued pursuant to the conversion were exchanged alongside other BBCH shares for BLS Shares in accordance with the terms of the RTO. All issued and outstanding RISE or BLS shares were consolidated on the basis of one post-consolidation BLS share for each ten pre-consolidation RISE or BLS shares (note 5).

All references to number of shares and exercise and conversion prices have been adjusted in these consolidated financial statements to retroactively reflect the exchanges and consolidation.

The RTO has been accounted for as a reverse takeover, such that these consolidated financial statements reflect the accounts of BBCH acquiring RISE, and the comparative information is for BBCH.

2. Basis of Preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC").

The accounting policies adopted in the preparation of the consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. These consolidated financial statements were approved and authorized for issued by the board of directors on July 27, 2022.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its wholly owned subsidiaries BBCH, Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd., Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max, Inc. dba Cultivate Kind, Life Bloom Organics, LLC, and Advanced Development and Safety Laboratories Ltd. ("Company") of which Company owns 60% (the "Group"). BBCL and ADSL operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom Organics, Brand Max Inc. dba Cultivate Kind, and Rise Life Science (Colorado), LLC are domiciled in the United States of America and have a functional currency of US dollars.

The Company's subsidiaries are as follows:

Entity	Jurisdiction of Incorporation	Ownership
Britannia Bud Canada Holdings Inc.	Ontario, Canada	100%
Britannia Bud Company Limited	United Kingdom	100%
Jamaica-Blu Ltd.	Ontario, Canada	100%
Rise Research Inc.	British Columbia, Canada	100%
Scout Assessment Corp.	Ontario, Canada	100%
Rise Life Science (Colorado), LLC	Colorado, United States	100%
Brand Max, Inc. dba Cultivate Kind	California, United States	100%
Life Bloom Organics, LLC	Delaware, United States	100%
Advanced Development & Safety Laboratories Ltd.	United Kingdom	60%

All intercompany transactions and balances between and among BLS and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

Subsidiaries are entities controlled by BLS. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. BLS controls an entity if it has power to direct the activities of the entity that significantly affects its returns ("the relevant activities"), has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between BLS and its subsidiaries are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(c) COVID-19

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

(d) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(e) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency and the overall presentation currency. The Company's U.K. operations have a functional currency of UK pounds sterling. The Company's US operations have a functional currency of USD. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

(f) Use of significant estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. Management carefully manages its cash flows and, as necessary, will undertake efforts to raise additional capital. These consolidated statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in the normal course of business operations and at amounts different from those in the accompany consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The determination of fair values to the net identifiable assets acquired in business acquisitions often require managementto make assumptions or estimates about future events. Changes in any of the assumptions or estimates used in determining fair value of acquired assets and liabilities could impact the amount assigned to assets, liabilities and goodwill in the purchase price allocation.

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The assessment of fair values includes estimates and assumptions, discount rates, future operating performance and capital requirements. These estimates and assumptions are based on industry and historical practices as well as future expectations. Changes to these estimates or assumptions could impact the impairment analysis of goodwill.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the consolidated financial statements:

- The measurement and period of use of intangible assets including patents and trademarks.
- The measurement and period of use of property and equipment
- The assumptions used to value the right-of-use asset and associated lease obligation upon the adoption of the lease standard under IFRS 16, Leases.
- The assumptions used to determine the incremental borrowing rate.
- The assumptions used to fair value the debt component, the conversion feature and associated warrants on initial recognition.
- The assumptions used to value options and warrants issued.
- The assessment of a cash-generating unit to which goodwill is allocated.
- The assumptions used to estimate the carrying value of goodwill and intangible assets.

3. Significant Accounting Policies

a. Foreign currency translation

Transactions in foreign currencies that are not hedged are translated to the respective functional currencies of the Company's subsidiaries at the exchange rate in effect on the date of the transaction. The monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are translated at the exchange rates prevailing at the statement of financial position date and translation gains and losses are included in the consolidated statement of income (loss) and comprehensive income (loss). Non-monetary items denominated in foreign currencies other than the functional currency are translated at historical rates.

The assets and liabilities of foreign operations, whose functional currency is not the Canadian dollar, are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Revenue and expenses that are not hedged are translated at the exchange rate in effect on the date of the transaction. Differences arising from the exchange rate changes are included in other comprehensive income (loss) in the cumulative translation account.

b. Financial instruments

Financial assets

Non-derivative financial assets are classified as “financial assets at fair value” either through fair value through other comprehensive income (FVOCI) or through fair value through profit and loss (FVTPL),and “financial assets at amortized cost” as appropriate. The Company determines the classification of its financial assetsat initial recognition based on the Company’s business model and contractual terms of cash flows.

All financial assets are recognized initially at fair value plus, in the case of instruments not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Where the fair values of financial assets recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derivedfrom observable market data where possible, but where observable market data are not available, judgement is requiredto establish fair values.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company’s management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Company’s stated objective for managing the financial asset is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical rest of interest rates

Reclassifications

The Company would reclassify a financial asset when the Company changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of the reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial assets at FVTPL

Financial assets measured at FVTPL include financial assets held-for-trading and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in finance expense in the consolidated statements of income (loss) and comprehensive income loss.

Cash is measured at FVTPL.

Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI.

After initial measurement, instruments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of net income (loss) and comprehensive income (loss). When the instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income (loss) and is not reclassified to profit or loss.

De-recognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the asset.

Impairment

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default of past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower’s condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Recognition of allowance of expected credit losses (“ECL”) in the consolidated statement of financial position

The Company recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Company’s applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost or FVOCI, the Company recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management purposes, the Company considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could general sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities, interest payable, Sellers' loan agreement, Director's loan, lease liability, other debt, and convertible notes which are each measured at amortized cost and warrant liability, embedded derivative and put option liability which are each measured at FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by takinginto account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance expense in the consolidated statements of net income (loss) and comprehensive income (loss).

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in finance expense in the consolidated statements of net income (loss) and comprehensive income (loss).

Derivative financial instruments

The Corporation has issued liability-classified derivatives over its own equity and has a put liability on the non-controlling interest of a subsidiary. Embedded derivative is separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives and separable embedded derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives and separable embedded derivatives are measured at fair value, and all changes in their fair value are recognized immediately in profit or loss.

c. Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, common share purchase warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

d. Share-based compensation

Under the Company's stock option plan, all stock options granted have graded vesting periods and are exercisable up to a maximum of 5 years form the date of grant. Each tranche of an award with graded vesting periods is considered a separate grant at each grant date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk free rate and estimated forfeitures.

If a grant of the share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized for services over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On vesting date, the Company revises the estimate to equal the number of equity instrument that ultimately vested. After vesting date, the Company makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited or they expire at the end of the share option's life.

If a grant of the share based payment is modified during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) and the fair value of the new instruments is higher than the fair value of the original instrument, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments vests, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period of the original instrument.

Upon expiration of options, the amount applicable to expired options is moved to contributed surplus.

e. Warrants

The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in equity reserve. Unit proceeds are allocated to common shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. When stock options or warrants are cancelled, they are treated as if they have vested on the date of collation and any cost not yet recognized in profit or loss is immediately expensed. Upon expiration of warrants, the amount applicable to expired warrants is moved to contributed surplus.

f. Warrant liability

The Company has issued common share purchase warrants that are denominated in US dollars, while convertible in Canadian dollars. As the exercise price for these common share purchase warrants is denominated in US dollars, their exercise would represent a variable number of common shares. As a result, these common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are treated as a financial liability under IFRS.

Incremental costs directly attributable to the exercise of these warrants and related issue of common voting shares were recognized as a deduction from equity, net of any tax effects. The Company followed the relative fair value method with respect to the measurement of convertible notes and warrants issued as units. The proceeds from the issuance of units were allocated between convertible notes and warrants. Unit proceeds were allocated to warrants using the Black-Scholes model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, would be recorded as an increase to share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. When warrants are cancelled, they are treated as if they have vested on the date of collation and any cost not yet recognized in profit or loss is immediately expensed. Upon expiration of warrants, the amount applicable to these expired warrants would be recognized in profit or loss.

g. Revenue recognition

Revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer by applying the following five steps:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue excludes sales taxes and other amounts that are collected on behalf of third parties and is recorded when control of a product or service is transferred to a customer.

For laboratory testing and safety and other compliance reports, an assessment is made at the execution of each contract to determine whether: i) the performance obligations are satisfied over time, or ii) the performance obligations are satisfied at a point in time. Performance obligations are satisfied over time during the laboratory testing when the customer can exert control over the testing process. Revenue is recognized using the percentage-of-completion method when performance obligations are satisfied over time. The percentage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Revenue is only recognized to the extent of recoverable expenses when the outcome of the contract cannot be estimated reliably. Performance obligations not satisfied over time are satisfied at a point in time, which generally occurs when service reports are completed and available to the customer. When performance obligations are satisfied at a point in time, revenue is recognized when all of the aforementioned recognition criteria are met.

h. Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit held in reputable Canadian and UK financial institutions and highly liquid short-term interest-bearing variable rate investments with an original maturity of three months or less, or which are readily convertible into a known amount of cash with no significant changes. As at March 31, 2022 and 2021 there were no cash equivalents.

i. Embedded derivative

The Company has convertible note payables whereby balances can be converted into equity. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognized in net income (loss) and comprehensive income (loss).

j. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. All related party transactions are disclosed in the consolidated financial statements at their fair value.

k. Government assistance

Government grants, consisting of grants, subsidies and investment tax credits, are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Company has met or will meet the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Company for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same years in which the expenses are recognized. Grants that compensate the Corporation for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset. Government grants in the form of forgivable or low interest loans are recognized in income as the difference between the amount received and the present value of anticipated future payments under the loan.

l. Business combinations and related goodwill

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date where the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Restructuring, transaction costs other than those associated with the issue of debt or equity securities, and other direct costs of a business combination are not considered part of the business acquisition transaction and are expensed as incurred. The Company measures goodwill as the fair value for the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. If this consideration is lower than the fair value of the net assets of the business acquired, the difference is recognized immediately in the consolidated statement of income (loss) and comprehensive income (loss) as a gain from a bargain purchase.

Non-controlling interest in the acquiree, if any, is recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interest prior to obtaining control and the non-controlling interest in the acquiree, over the fair value of the identifiable net asset acquired, is recorded as goodwill.

The determination of fair values to the net identifiable assets acquired in business combinations or asset acquisitions often require management to make assumptions or estimates about future events. Changes in any of the assumptions or estimates used in determining fair value of acquired assets and liabilities could impact the amount assigned to assets, liabilities, and goodwill in the purchase price allocation. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date.

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but tested for impairment at least annually and upon occurrence of an indication of impairment. The impairment testing process is described in the appropriate section of these accounting policies.

m. Investments in associates

Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control or joint control over those policies. The Company accounts for its in-substance equity investments in associates, including Britannia Mining Solutions Inc. ("BMS”), using the equity method of accounting (Note 6). Investments in associates, such as convertible debentures, that do not meet the criteria of in-substance equity instruments are accounted for in accordance with the nature of the instrument.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company’s share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of income (loss) and other comprehensive income (loss) reflects the Company’s share of the results of operations of its associates. Any change in other comprehensive income (“OCI”) of those investees is presented as part of the Company’s OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Company’s share of profit or loss of an associate is shown on the face of the statement of income (loss) and other comprehensive income (loss) and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Company determines whether it is necessary to recognize any impairment losses on its investments in its associates. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss in the consolidated statement of income (loss) and other comprehensive income (loss).

Upon loss of significant influence over an associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

n. Property and equipment

Recognition and measurement

Items of equipment are measured at cost less accumulated amortization and accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The costs of the day-to-day servicing of property and equipment are recognized in the statement of net income (loss) and comprehensive income (loss) in the period in which they are incurred.

Depreciation

Depreciation is recognized when the asset is determined to be ready for use, over the estimated useful lives of each part of an item of property and equipment in a manner which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Asset	Basis
Fixtures and Fittings	25% reducing balance.
Computer equipment	25% reducing balance.
Right-of-use asset	Straight-line over the lease term

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of income (loss) and comprehensive income (loss) in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate.

Subsequent expenditures

Subsequent expenditures are recognized as part of an existing asset's carrying value or as a separate asset, as appropriate, only when it is probable that future economic benefits embodied in the specific asset to which they relate will flow to the Company and the cost of the items can be measured reliably. All other expenditures are recognized in profit or loss as incurred.

o. Intangible assets

The Company's intangible assets are comprised of a website that is recorded at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of the website is recorded on a straight-line basis over its estimated useful life of 10 years.

Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

p. Impairment of long-lived assets

The carrying amounts of long-lived assets, including property and equipment and intangible assets, are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. If any such indication exists, then the asset's recoverable amount is estimated. Where the carrying value of an asset exceeds its recoverable amount, which is higher of the value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separate cash inflows that are largely independent of the cash inflows from other assets. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually. Write-downs as a result of impairment are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree of variability in cash flows, as well as other factors, are considered when making assumptions about future cash flows and the appropriate discount rate. A change in any of the significant assumptions or estimates used to evaluate the underlying assets could result in a material change to the carrying amount of the asset and/or its recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment had been recognized. Write-downs as a result of impairment are recognized in the consolidated statements of net income (loss) and comprehensive income (loss).

The Company's impairment tests for goodwill and intangible assets are based on the greater of value in use calculations that use a discounted cash flow model and estimated fair value less cost to sell. The value-in-use calculations employ the following key assumptions: future cash flows, growth projections including economic risk assumptions and estimates of achieving key operating metrics. The cash flows are derived from the Company's budget for the future and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit ("CGU") being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The estimated fair value less cost to sell is based on the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less cost of disposal.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. The Company defines its CGUs based on the way it internally monitors and derives economic benefits from the acquired goodwill. Impairment losses for a CGU is first allocated to reduce goodwill. An impairment loss in respect of goodwill is not reversed in future periods.

q. Leases

The Company and its subsidiaries assess whether a contract is or contains a lease based on the definition of a lease, as explained below.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As lessee, the Company may lease assets from time to time including property and/or equipment and recognizes right-of-use ("ROU") assets and lease liabilities.

The Company recognizes a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the ROU asset reflects that the Company will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in- substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

r. Finance income and finance costs

Finance costs comprise interest expense on borrowings which are recognized in profit or loss using the effective interest method.

s. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive (loss) income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Scientific research and experimental development tax credits, which are earned as a result of incurring qualifying research and development expenditures, are recorded as a reduction of the related expense or cost of the asset acquired when there is reasonable assurance that they will be realized.

t. Earnings (loss) per share

The Company presents basic earnings (loss) per share ("EPS") data for its common voting shares. Basic EPS is calculated by dividing the profit or loss attributable to common voting shareholders of the Company by the weighted average number of common voting shares outstanding during the period, adjusted for own shares held. The diluted earnings (loss) per share reflects potential dilution of common voting share equivalents, such as outstanding warrants and convertible debentures. Common voting share equivalents have been excluded from the calculation of the diluted loss per share as their effect is anti-dilutive.

u. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at March 31, 2022 and have not been applied in preparing these consolidated financial statements. Management has determined that none of these will have a significant effect on the consolidated financial statements of the Company.

(Expressed in Canadian Dollars, except per share amounts)

4. Property and Equipment

	Fixtures & Fittings	Computer Equipment	Right-of-Use Asset	Total
	$	$	$	$
Cost				
Balance, March 31, 2020	-	-	-	-
Additions	505,925	18,148	225,504	749,577
Effect of foreign exchange	(5,988)	(215)	(6,027)	(12,230)
Balance, March 31, 2021	499,937	17,933	219,477	737,347
Additions	74,393	12,690	-	87,083
Disposals	(10,488)	-	-	(10,488)
Effect of foreign exchange	(31,543)	(1,477)	(24,386)	(57,406)
Balance, March 31, 2022	**532,299**	**29,146**	**195,091**	**756,536**
Depreciation				
Balance, March 31, 2020	-	-	-	-
Depreciation	27,726	870	6,399	34,995
Effect of foreign exchange	(261)	(8)	(63)	(332)
Balance, March 31, 2021	27,465	862	6,336	34,663
Depreciation	130,757	7,280	48,798	186,835
Disposals	(1,235)	-	-	(1,235)
Effect of foreign exchange	(6,820)	(347)	(2,356)	(9,523)
Balance, March 31, 2022	**150,167**	**7,795**	**52,778**	**210,740**
Net book value, March 31, 2021	**472,472**	**17,071**	**213,141**	**702,684**
Net book value, March 31, 2022	**382,132**	**21,351**	**142,313**	**545,796**

5. Goodwill and intangible assets

	Website	Goodwill	Total
	$	$	$
Cost			
Balance, March 31, 2020	-	-	-
Additions	5,012	18,229,845	18,234,857
Effect of foreign exchange	(59)	-	(59)
Balance, March 31, 2021	4,953	18,229,845	18,234,798
Effect of foreign exchange	(263)	(1,172,031)	(1,172,294)
Balance, March 31, 2022	**4,690**	**17,057,814**	**17,062,504**
Amortization			
Balance, March 31, 2020	-	-	-
Amortization	459	-	459
Effect of foreign exchange	(5)	-	(5)
Balance, March 31, 2021	454	-	454
Amortization	2,701	-	2,701
Effect of foreign exchange	(136)	-	(136)
Balance, March 31, 2022	**3,019**	**-**	**3,019**
Net book value, March 31, 2021	**4,499**	**18,229,845**	**18,234,344**
Net book value, March 31, 2022	**1,671**	**17,057,814**	**17,059,485**

Impairment

For the purposes of the Company's goodwill impairment testing, the Company has grouped certain CGUs to test at the lowest level at which management monitories goodwill for internal management purposes, which is the Company wide level.

The Company performed its annual impairment test of goodwill at March 31, 2022. The recoverable amount was determined based on the value-in-use ("VIU") and considered the cash flows of the CGUs based on the current budget and future commercialization plans. In assessing the VIU, estimated future cash flows are discounted to their present value using a discount rate that reflects market assessments of the time value of money and the risks specific to the CGUs. The VIU calculations were performed using an after-tax discount rate of 13%. The Company determined the terminal value as an estimate of the present value of the future cash flows in the terminal period, applying a terminal growth rate of 2%. Based on the Company's assessment, the recoverable amount is higher than the carrying value and therefore no impairment loss was recorded for the year ended March 31, 2022.

6. Business Developments

(a) Advanced Development & Safety Laboratories Ltd.

Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (the "Sellers") and BBCH entered into share purchase agreement dated March 10, 2020, wherein the Company acquired 60% of the issued share capital of ADSL (the "ADSL Acquisition"). Completion payments in relation to the ADSL Acquisition were made on February 9, 2021 (the "Completion Date"). The ADSL Acquisition consideration included a cash payment of $5,278,445 (GBP 3,008,819), a loan payable to the Sellers of $7,819,478 (GBP 4,456,813), and a loan payable to ADSL of $6,551,624 (GBP 3,734,183).

Pursuant to the terms of the ADSL Acquisition, on the first three anniversaries of the Completion Date, the Company has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date the Company has not acquired all the ADSL shares, the Sellers have the right to require the Company to purchase all of the ADSL shares it does not yet own (the "Put Liability"). The total consideration payable for the additional shares ("Put Shares") upon exercise of the Put Liability and the closing of the Company's acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by the Company of the total enterprise value for ADSL.

At the close of the ADSL Acquisition, the value of the Put Liability was determined to be $2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the Put Liability, discounted at a rate of 0.23% per annum and assuming the transaction would take place on February 9, 2024. As at March 31, 2022, the fair value of the put liability was remeasured to $4,495,033 (GBP 2,738,035), generating a loss on the change in fair value of the put liability for the year ended March 31, 2022 of $2,059,933.

As at March 31, 2022, the Company has issued notice to the Sellers to exercise their option to purchase an additional 10% of the share capital of ADSL. On April 7, 2022, the Sellers and BBCH entered into a share purchase agreement, wherein the Company acquired 10% of the outstanding issued share capital of ADSL (the "Subsequent ADSL Acquisition"). A cash payment of GBP 1,813,358.15 was paid as consideration for the Subsequent ADSL Acquisition. The Subsequent ADSL Acquisition would reduce the Put Liability accordingly.

(b) Reverse Takeover

On November 12, 2021, the Company completed its reverse takeover transaction with RISE. The RTO was completed by way of a share exchange between the shareholders of RISE and the Company. In exchange for their BBCH Shares, BBCH Shareholders received Resulting Issuer Shares at an exchange ratio of 120 BLS shares for each one BBCH Share (the "Exchange Ratio").

The RTO constituted a reverse takeover of RISE by BBCH and has been accounted for as a reverse takeover transaction in accordance with IFRS 2, Share-based payments. The Company did not meet the definition of a business in accordance with IFRS 3, Business combinations, as such, the RTO does not constitute a business combination.

Immediately prior to the effective time of the Amalgamation, the convertible debentures of BBCH automatically converted to BBCH shares at US$0.155 per BBCH share, and the BBCH shares issued pursuant to the conversion were exchanged alongside other BBCH shares for BLAB Shares in accordance with the terms of the RTO. In connection with the transaction, the Company consolidated all issued and outstanding shares on the basis of one post-consolidation BLAB share for each ten pre-consolidation BLAB shares (the "Share Consolidation").

The effects of the Exchange Ratio and the Share Consolidation have been applied retroactively in these consolidated financial statements.

(Expressed in Canadian Dollars, except per share amounts)

The purchase results in a share capital increase of $10,050,918 which represents the fair value of the resulting issuer shares, options and warrants issued to RISE security-holders to affect the RTO. The difference between the aggregate fair value of the BLS shares, warrants and options issued to RISE shareholders, option-holders and warrant-holders and the fair value of monetary net assets of RISE acquired of $78,926, such difference being $9,971,992, has been charged to consolidated deficit and consolidated net loss as a listing expense.

	$
Consideration	
Fair value of 30,301,940 common shares	8,181,524
Warrant reserve	1,273,214
Options reserve	143
Transaction costs	596,037
Total consideration	**10,050,918**
Net assets acquired (liabilities assumed):	
Cash	741,032
Accounts receivable	5,731
Prepaid expenses	6,810
Accounts payable and accrued liabilities	(552,863)
Loans payable	(121,784)
Net assets acquired	**78,926**
Listing fees	**9,971,992**

(c) Britannia Mining Solutions Inc.

On February 18, 2022, the Company incorporated BMS, a company domiciled and incorporated in Canada under the laws of the Province of Ontario, as a new subsidiary to address the global backlog in mining assays. In establishing the business, BMS issued an unsecured $500 loan without interest and repayable on demand and 500,000 BMS common shares at $0.001 per BMS common share to the Company. On March 4, 2022, BMS completed a non-brokered private placement of 500,000 of its common shares at $1.00 per common share for gross proceeds of $500,000 after which the Company owns 50% of the outstanding issued share capital of BMS and 50% of the voting rights of BMS. The Chief Executive Officer of the Company is both the Chief Executive Officer and sole director of BMS. The BMS by-laws state that both the officers and directors of the entity shall be elected by the shareholders, accordingly Britannia would not meet the definition of control for the purpose of consolidation.

The continuity of the investment in BMS is as follows:

	$
Balance as at March 31, 2021	**-**
Incorporation of BMS	500
Share of loss in BMS	(55)
Balance as at March 31, 2022	**445**

(Expressed in Canadian Dollars, except per share amounts)

The following is a summary of the financial information of BMS, adjusted to conform with the accounting policies of Britannia, on a 100% basis as at the specified date and for the year then ended, as disclosed in the table below, which is the recent available information for BMS:

As at March 31,	**2022**	**2021**
	$	**$**
Cash and cash equivalents	**549,890**	-
Total current assets	**500**	-
Total current liabilities	**(50,000)**	-
Net loss	**110**	-
Proportionate share of net loss	**55**	-

7. Lease liability

	$
Balance as at March 31, 2020	**-**
New leases	246,286
Lease payments	(19,148)
Lease interest	4,660
Effect of foreign exchange	(719)
Balance as at March 31, 2021	**231,079**
Lease payments	(76,425)
Lease interest	34,617
Effect of foreign exchange	(7,578)
Balance as at March 31, 2022	**181,693**
Current	50,310
Non-current	131,383
Balance as at March 31, 2022	**181,693**

8. Convertible Debentures

During the two years ended March 31, 2022, the Company raised an aggregate of USD $6,127,000 (CAD $7,819,006) through the issuance of 6,127 convertible debentures units (each a "Convertible Debenture Unit"). Each unit, issued for US$1,000, consists of a convertible debenture (each a “Debenture”) and 645 share purchase warrants. The financing was completed in three tranches on January 29, 2021, February 2, 2021 and April 7, 2021 (together, the “Closing Dates”).

The Debentures bear interest at 10% per annum with interest payable annually on December 31, and mature two years from the respective Closing Dates. Each Debenture is convertible, at the option of the holder, at any time prior to six months before the maturity date, into that number of shares computed on the basis of the principal amount of the Debenture divided by the conversion price of US$0.155 per BBCH share (the "Debenture Conversion Price").

As defined in the subscription agreement, a Liquidity Event would occur upon (i) the listing of the Company’s common shares on a stock exchange, (ii) the completion of a transaction with a capital pool company or other Canadian reporting issuer by way of business combination or other similar transaction pursuant to which the Company’s common shares are listed on a stock exchange, (iii) the sale of all or substantially all of the assets of the Company to a person other than an affiliate of the Company, or (iv) a transfer of the shares of the Company, reorganization, amalgamation or merger, as a result of which the shareholders of the Company immediately prior to such transaction would no longer beneficially own, directly or indirectly, more than 50% of the resulting voting shares on a fully-diluted basis. In the event that the Company does not complete a Liquidity Event on or before the date which is 18 months from the Closing Date, the holders of the Debentures shall have the right for a period of 30 days after such date to require the Company to redeem the Debentures at a price equal to US$1,500 per Debenture then outstanding.

On January 29, 2021, the Company completed a tranche of Convertible Debenture Units (the "January 29 Units"), raising US$2,272,000 ($2,903,616). The Debentures had a maturity date of January 29, 2023. 1,465,440 pre-consolidation BBCH common share purchase warrants were issued.

On February 2, 2021, the Company completed a tranche of Convertible Debenture Units (the "February 2 Units"), raising US$2,564,000 ($3,286,535). The Debentures had a maturity date of February 2, 2023. 1,653,780 pre-consolidation BBCH common share purchase warrants were issued.

On April 7, 2021, the Company completed a tranche of Convertible Debenture Units (the "April 7 Units"), raising US$1,291,000 ($1,628,855). The Debentures had a maturity date of April 7, 2023. 832,695 pre-consolidation BBCH common share purchase warrants were issued.

The Debentures converted into BBCH common shares upon the RTO. Upon the RTO, any accrued and unpaid interest with respect to the Debentures were paid to the holder by the Company in BBCH shares at a deemed price per share equal to the Debenture Conversion Price. Such BBCH shares were then converted to BLS common shares at the Exchange Ratio.

The Debentures were denominated in US dollars, while convertible in Canadian dollars. As the conversion price in a different currency required a variable number of shares to settle the Debentures, the Debentures were treated as having an embedded derivative that was treated as a financial liability under IFRS. The Company recorded the fair value of the embedded derivative immediately prior to conversion upon the RTO to be $3,200,928 ($2,982,182 as at March 31, 2021).

For the year ended March 31, 2022, the Company incurred interest expense of $468,325 (USD$377,962) (2021 – $98,987). Pursuant to the terms of the subscription agreement, all interest accrued up to the liquidity event was converted to common shares by the Company. Total accrued interest of $567,311 (USD$454,837) was converted into 3,521,277 shares.

The Company recorded accretion expense of $1,076,878 in relation to the convertible debentures and foreign currency translation gain (loss) of $8,380 for the year ended March 31, 2022.

For the year ended March 31, 2022, $46,029 (2021 - $9,037), of interest was incurred with related parties. The outstanding interest payable was $nil as at March 31, 2022 ($98,987 as at March 31, 2021).

Prior to conversion upon the RTO, the fair value of the embedded derivative related to the January 29, 2021 Units was determined using the Black Scholes valuation model using the following assumptions on November 12, 2021: stock price of $1.35; expected life of 1.21 years; $nil dividends; 80% volatility; risk-free interest of 0.98%; foreign exchange rate of 1.2565; and the exercise price of $1.23.

Prior to conversion upon the RTO, the fair value of the embedded derivative related to the February 2, 2021 Units was determined using the Black Scholes valuation model using the following assumptions on November 12, 2021: stock price of $1.35; expected life of 1.22 years; $nil dividends; 80% volatility; risk-free interest of 0.98%; foreign exchange rate of 1.2565; and the exercise price of $1.23.

Prior to conversion upon the RTO, the fair value of the embedded derivative related to the April 7, 2021 Units was determined using the Black Scholes valuation model using the following assumptions on November 12, 2021: stock price of $1.35; expected life of 1.40 years; $nil dividends; 80% volatility; risk-free interest of 0.98%; foreign exchange rate of 1.2565; and the exercise price of $1.23.

The total amount of the convertible debenture conversion reclassified to equity on November 12, 2021 is $4,114,145. The total amount of the embedded derivative reclassified to equity on November 12, 2021 is $3,246,562. In accordance with the terms of the subscription agreement, the Company issued 3,521,277 BLS shares to settle $567,311 of accrued interest upon the RTO.

9. Warrant Liabilities

Certain common share purchase warrants have exercise prices denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, these common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are therefore treated as a financial liability under IFRS.

Convertible Debenture Warrants

See note 8 for details of warrants issued in conjunction with the convertible debentures.

(Expressed in Canadian Dollars, except per share amounts)

The Company in its discretion may accelerate the expiration date of the warrants in the event the Company's common shares trade at $0.26 or more for 20 or more consecutive trading days on the Canadian Securities Exchange.

4,200,498 warrants are held in escrow at March 31, 2022.

Brokers' Warrants

On July 14, 2021, the Company issued 893,100 compensation warrants to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD $0.20 for a period of 24 months (see note 13).

The fair value of the warrant derivative liability as at March 31, 2022 of $2,458,271 ($543,124 as at March 31, 2021) was determined using the Black-Scholes option pricing model with the following weighted average assumptions, judgmentally determined by management:

	Jan 29, 2021 Issuance	**Feb 2, 2021 Issuance**	**Apr 7, 2021 Issuance**	**Jul 14, 2021 Issuance**
Expected life in years	0.83	0.84	1.02	1.29
Market Price	0.19	0.19	0.19	0.19
Strike price	USD $0.17	USD $0.17	USD $0.17	USD $0.17
Risk free interest rate	2.26%	2.26%	2.26%	2.26%
Dividend yield	0%	0%	0%	0%
Expected volatility	80%	80%	80%	80%

The continuity of the warrant liability is as follows:

	Convertible Debenture Warrants	**Brokers' Warrants**	**Total**
Balance as at March 31, 2021	$ 543,124	$ -	$ 543,124
Additions	-	12,937	12,937
Allocation of additions to warrant liability	145,486	-	145,486
Change in fair value	1,713,529	43,195	1,756,724
Balance as at March 31, 2022	**$ 2,402,139**	**$ 56,132**	**$ 2,458,271**

Changes in the number of these warrants outstanding during at the year ended March 31, 2022 is as follows:

	Warrants	**Amount**	**Weighted Average Exercise Price**
Balance, March 31, 2021	37,430,640	$ 543,124	$ 0.21
Granted April 7, 2021	9,992,340	145,486	0.21
Granted July 14, 2021	893,100	12,937	0.21
Change in fair value	-	1,756,724	-
Balance, March 31, 2022	48,316,080	$ 2,458,271	$ 0.21
Weighted average remaining contractual life (years)			0.88

(Expressed in Canadian Dollars, except per share amounts)

The following summarizes information about the warrant liabilities outstanding at March 31, 2022:

Expiry Date	Warrants outstanding	Warrants exercisable	Weighted average of exercisable price	Estimated fair value	Weighted average remaining outstanding contractual life
			$	$	
Jan 29, 2023	17,585,280	17,585,280	0.21	866,245	0.83
Feb 2, 2023	19,845,360	19,845,360	0.21	984,848	0.84
Apr 7, 2023	9,992,340	9,992,340	0.21	551,203	1.02
July 14, 2023	893,100	893,100	0.21	55,975	1.29
	48,316,080	48,316,080	0.21	2,458,271	0.88

10. Related Party Transactions and Balances

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controllingthe activities of the Company. The directors, Chief Executive Officer, President, Chief Technical Officer and Chief Financial Officer are key management personnel.

	2022	2021
Interest expense	**$ 1,191,967**	$ 73,126
Share-based payments	**570,000**	-
Share-based compensation	**536,524**	
Salaries, fees and short-term employee benefits	**583,719**	120,625
	$ 2,882,210	$ 193,751

As at March 31, 2022, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of $238,599 (2021 - $nil).

Director's loan

During the year ended March 31, 2021 a director extended a loan of $225,000 to the Company to cover expenses related to working capital and growth needs of the Company. The loan was without interest, unsecured and is repayable on demand. On April 7, 2021 this loan was settled through issuance of 175 Convertible Debenture Units (see note 7). This non-cash transaction has been excluded from the consolidated statements of cash flows.

During the year ended March 31, 2022 a director extended a loan of $120,000 to the Company to cover expenses related to working capital and growth needs of the Company. The loan is without interest, unsecured and is repayable on demand.

(Expressed in Canadian Dollars, except per share amounts)

Sellers' Loan

On February 9, 2021, the Company and the Sellers entered into a Sellers' Loan agreement (Note 5). The Sellers are comprised of the Company's Chief Technical Officer and a close member of the Chief Technical Officer. In connection to this agreement, the Sellers loaned £4,456,813 ($7,631,400) to the Company, at an interest rate of 6% per annum and initial repayment date of April 30, 2021. On June 15, 2021, the terms of this loan were amended to extend the repayment date to December 31, 2021 and increase the interest rate to 10% per annum effective June 1, 2021. On December 20, 2021 the Company made a principal repayment of £1,551,033 (reducing the principal balance outstanding from £4,770,419 to £2,905,780). The deadline for repayment was further extended to March 31, 2022 and the loan was repaid in full on April 6, 2022 (see Note 20). The Company recognized a share-based payment expense of $570,000 upon the issuance of 3,000,000 common shares in the year ended March 31, 2022 for this extension. See Note 12.

The continuity of the Sellers' Loan is as follows:

	$
Balance as at March 31, 2020	**-**
ADSL Acquisition	7,631,400
Effect of foreign exchange	95,376
Balance as at March 31, 2021	**7,726,776**
Principal payment	(2,666,380)
Effect of foreign exchange	(289,977)
Balance as at March 31, 2022	**4,770,419**

11. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2021 – 26.5%) to the effective tax rate is as follows:

		2022		**2021**
Income (loss) before income taxes for the period	**$**	**(13,274,505)**	$	400,638
Expected income tax expense (recovery)		**(3,517,744)**		106,169
Non-cash listing fees		**2,484,012**		-
Change in fair value of put liability		**545,882**		(7,742)
Change in fair value of warrant liability		**465,532**		(2,577)
Share-based payments		**293,229**		-
Accretion on convertible debt		**285,559**		50,499
Other non-deductible expenses		**2,714**		18,428
Share of loss in BMS		**15**		-
Change in fair value of embedded derivative		**(158,661)**		(66,467)
Research and development differences		**(125,647)**		-
Difference between statutory rates		**(306,043)**		(68,238)
Change in tax benefits not recognized		**742,744**		227,590
Income tax expense	**$**	**711,592**	$	257,662

The Company's income tax expense is as follows:

		2022		2021
Current income tax expense	**$**	**721,111**	$	209,670
Deferred income tax expense (recovery)		**(9,519)**		47,992
Income tax expense	**$**	**711,592**	$	257,662

The significant components of the Company's temporary differences, unused tax credit and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

		March 31, 2022		March 31, 2021
Non-capital loss carryforwards	**$**	**1,068,349**	$	325,605
Intangible assets		**(317)**		(855)
Property and equipment, net of lease liability		**(78,068)**		(87,049)
		989,964		237,701
Valuation allowance		**(1,068,349)**		(325,605)
	$	**(78,385)**	$	(87,904)

Deferred income taxes have not been recognized in respect of the loss carryforwards because it is not probable that future taxable profit will be available against which the Company will be able to use these benefits.

Loss carryforwards

As at March 31, 2022, the Company has non-capital losses in Canada, which under certain circumstances can be used to reduce taxable income of future years, that expire as follows:

Year of expiration	$
2040	469,990
2041	607,343
2042	2,584,820
	3,662,153

As at March 31, 2022, the Company has non-capital losses in the United Kingdom, stated in Canadian dollars, which, under certain circumstances, can be used to reduce taxable income of future years, that expire as follows:

Year of expiration	$
2040	8,457
2041	98,170
2042	303,555
	410,182

(Expressed in Canadian Dollars, except per share amounts)

12. Other Debt

The continuity of other debt is as follows:

	Note Payable (a)	CEBA Loan (b)	Total
	$	$	$
As at March 31, 2021	-	-	-
Acquired upon Amalgamation (note 5)	86,337	35,447	121,784
Accretion expense	-	703	703
Balance, March 31, 2022	86,337	36,150	122,487

(a) Note Payable

On July 31, 2016, a private lender subscribed to a secured convertible note issued by RISE in the amount of $50,000, bearing interest at 8% per annum and maturing on July 31, 2017. The note was convertible at $0.20 per common share. Total interest payable at March 31, 2022 is $36,337. As of March 31, 2022, The note and accrued interest are still outstanding.

(b) CEBA Loan

On April 15, 2020 and February 2, 2021, RISE obtained $40,000 and $20,000, respectively, from the Government of Canada under the Canada Emergency Business Account ("CEBA") COVID-19 Economic Response Plan. Effective January 1, 2024, any outstanding balance is to bear interest at a rate of 5% per annum. The CEBA loan matures on December 31, 2025. If $40,000 of the outstanding balance is repaid on or before December 31, 2023, the remaining $20,000 is to be forgiven. The Company intends to repay $40,000 by December 31, 2023 so that the remaining balance will be forgiven. The Company has used a 5% per annum discount rate to determine the fair value of the interest-free period. This amount is being accreted to the amount anticipated to be payable at December 31, 2023 of $40,000.

13. Share Capital

Authorized

The Company has an unlimited number of authorized voting common shares (the “Common Shares”).

Issued

The continuity of the outstanding share capital is as follows:

	Shares	Amount	Share issuance costs	Total
	#	$	$	$
As at March 31, 2021	77,626,332	441,981	(777)	441,204
Shares issued on conversion of debt (Note 7)	50,956,082	7,882,384	(12,937)	7,869,447
Equity issued for amalgamation	30,301,925	8,181,524	-	8,181,524
Equity issued to an officer (Note 10)	3,000,000	570,000	-	570,000
Warrants exercised	20,000	6,672	-	6,672
As at March 31, 2022	161,904,339	17,082,561	(13,714)	17,068,847

- The number of shares retroactively reflects the consolidation of shares referred to in note 1.

Upon the Amalgamation, shareholders of BBCH exchanged their BBCH shares for BLS shares, at an exchange ratio of 120:1. All issued and outstanding RISE or BLS shares were consolidated on the basis of one post-consolidation BLS share for each ten pre-consolidation RISE or BLS shares, resulting in the issuance of 77,626,332 shares. Immediately prior to the effective time of the Amalgamation, the convertible debentures of BBCH automatically converted to BBCH shares, and the BBCH shares issued pursuant to the conversion, and all accrued and unpaid interest, were exchanged alongside other BBCH shares for 50,956,082 BLS Shares in accordance with the terms of the RTO. In connection with the RTO, all previously issued RISE shares on amalgamation were consolidated at a ratio of 10:1 resulting in 30,301,925 BLS shares.

56,203,558 common shares are held in escrow at March 31, 2022.

Brokers' Warrants

On July 14, 2021, the Company issued 893,100 compensation warrants of the Company to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD $0.20 for a period of 24 months (note 8 and 9). The brokers' common share purchase warrants have exercise prices denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, these brokers' common share purchase warrants do not meet the fixed- for-fixed criteria under IFRS to be classified as equity and are therefore treated as a financial liability under IFRS.

Warrants

The Company has warrants outstanding that were originally issued in RISE and are classified as equity.

The continuity of the outstanding equity warrants is as follows (see also Note 9):

	Number of Warrants	Weighted average of exercisable price
		$
As at March 31, 2021	-	-
Granted on amalgamation with RISE	10,797,735	0.26
Exercised	(20,000)	0.21
Expired	(100,000)	1.40
Outstanding as at March 31, 2022	10,677,735	0.25
Exercisable as at March 31, 2022	10,677,735	0.25

The Company estimated the aggregate fair value of these warrants at the Amalgamation date using the Black-Scholes pricing model to be $1,273,214 with the following assumptions:

	Nov 18, 2021	Nov 18, 2021	Nov 18, 2021
Risk free interest rate	0.98%	0.98%	0.98%
Expected volatility	80%	80%	80%
Expected life in years	0.45	0.17	1.48
Expected dividend yield	0%	0%	0%
Share price	$0.27	$0.27	$0.27
Exercise price	$1.40	$1.40	$0.21
Outstanding number	395,795	100,000	10,301,940

The following summarizes information about the equity warrants outstanding at March 31, 2022 (see also note 9):

Expiry Date	Warrants issued	Warrants outstanding	Warrants exercisable	Weighted average of exercisable exercise price	Estimated grant Amalgamation date fair value	Weighted average remaining outstanding contractual life
April 30, 2022	395,795	395,795	395,795	1.40	31	0.08
May 12, 2023	10,301,940	10,281,940	10,281,940	0.21	1,270,711	1.12
	10,697,735	10,677,735	10,677,735	0.26	1,270,742	1.08

(Expressed in Canadian Dollars, except per share amounts)

Options

The Company has a stock option plan Company with stock options granted to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time.

Changes to the number of options outstanding for the year ended March 31, 2022 are as follows:

	Options	Weighted average Exercise price
As at March 31, 2021	-	-
Granted on completion of RTO	13,320,000	0.21
Issued to RISE optionholders upon RTO	150,000	3.00
Issued to RISE optionholders upon RTO	15,000	4.00
Expired	(115,000)	3.13
Outstanding as at March 31, 2022	13,370,000	0.22
Exercisable as at March 31, 2022	50,000	3.09

On completion of the RTO, the Company issued 13,320,000 options to directors, officers and employees for services provided and to be provided. Each option entitles the holder to acquire one Common Share for $0.21 until November 18, 2023. The vesting period is as follows:

- 7,992,000 options vest on November 18, 2022
- 5,328,000 options vest on November 18, 2023

On completion of the RTO, the Company issued 165,000 replacement options to previous RISE optionholders which vested immediately on the grant date (see Note 5). The expiry dates of the options are as follows:

- 50,000 options entitles the holder to acquire one Common Share for $3.00 until July 17, 2023
- 15,000 options entitled the holder to acquire one Common Share for $4.00 until February 12, 2022
- 100,000 options entitled the holder to acquire one Common Share for $3.00 until February 12, 2022

The Company estimated the aggregate fair value of these options using the Black-Scholes option pricing model to be $1,814,024 with the following assumptions:

	Nov 18, 2021	Nov 18, 2021	Nov 18, 2021	Nov 18, 2021
Risk free interest rate	0.98%	0.98%	0.98%	0.98%
Expected volatility	80%	80%	80%	80%
Expected life in years	0.24	0.24	1.66	1.27
Expected dividend yield	0%	0%	0%	0%
Share price	$0.27	$0.27	$0.27	$0.27
Exercise price	$4.00	$3.00	$3.00	$0.21
Outstanding number	15,000	100,000	50,000	13,320,000

(Expressed in Canadian Dollars, except per share amounts)

The following summarizes information about the options outstanding at March 31, 2022:

Expiry Date	Options issued	Options outstanding	Options exercisable	Weighted average of exercise price	Estimated amalgamation /grant date fair value	Weighted average remaining outstanding contractual life
				$	$	
Nov 12, 2023	13,320,000	13,320,000	-	0.21	536,524	1.62
July 17, 2023	50,000	50,000	50,000	3.00	-	1.30
	13,370,000	13,370,000	50,000	3.09	536,524	1.62

The Company recognized share-based payment related to the issuance of stock options for the year ended March 31, 2022 of $536,524.

The outstanding options and warrants disclosed above were anti-dilutive for the current period and did not impact the calculation of the loss per share.

14. Capital Disclosures

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Company has financed it operations and capital requirements primarily through the issuance of shares and secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject toany externally imposed capital requirements.

15. Revenue

The Company generates revenue from the sale to businesses of services related to product formulation and development, safety and compliance reporting and laboratory testing of products in the cosmetic and household goods industries.

In the following table, revenue for the years ended March 31, 2022 and 2021 is disaggregated by the most relevant channels of revenue:

	2022	2021
	$	$
Laboratory testing	**3,669,487**	722,125
Safety and other compliance	**3,630,502**	702,490
	7,299,989	1,424,615

16. Government Assistance

For the year ended March 31, 2022, the Company received £3,294 ($5,641) under the UK Government's Coronavirus Job Retention Scheme. This amount has been classified as a reduction to cost of sales in the consolidated statement of income (loss) and comprehensive income (loss) and is not repayable.

(Expressed in Canadian Dollars, except per share amounts)

17. Selling, general and administrative expense

Included in selling, general, and administrative expense for the years ended March 31, 2022 and 2021 are the following:

		2022		2021
Payroll, consulting and benefits	$	1,214,647	$	292,147
Office and general		868,448		197,513
Professional fees expense		249,001		263,484
Amortization and depreciation		189,536		35,454
Travel and other		18,179		422
Stamp duty		-		100,000
	$	2,539,811	$	889,020

18. Contingencies:

From time to time the Company may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is currently not determinable, the Company does not expectthat the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

19. Financial Instruments and Risk Management:

The Company has classified its financial instruments as follows:

	March 31, 2022	March 31, 2021
	$	$
FVTPL, measured at fair value:		
Cash	**1,631,127**	828,321
Warrant liability	**2,458,271**	543,124
Embedded derivative	**-**	2,982,172
Put option liability	**4,495,033**	2,435,100
Financial assets, measured at amortized cost:		
Accounts receivable	**1,783,740**	1,686,152
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**2,452,302**	1,192,902
Interest payable	**180,413**	163,076
Sellers' loan agreement	**4,770,419**	7,726,776
Director's loan	**120,000**	225,000
Lease liability	**181,693**	231,079
Other debt	**122,487**	-
Convertible notes	**-**	2,363,154

The carrying value of the Company's financial instruments approximate their fair value.

<u>Fair values of financial assets and financial liabilities</u>

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments.

(Expressed in Canadian Dollars, except per share amounts)

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	1,631,127	-	-	**1,631,127**
As at March 31, 2022	**1,631,127**	**-**	**-**	**1,631,127**
Financial liabilities				
Warrant liability	-	2,458,271	-	**2,458,271**
Put option liability	-	4,495,033	-	**4,495,033**
As at March 31, 2022	**-**	**6,953,304**	**-**	**6,953,304**

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	828,321	-	-	**1,631,127**
As at March 31, 2021	**828,321**	**-**	**-**	**828,321**
Financial liabilities				
Warrant liability	-	543,124	-	**543,124**
Embedded derivative	-	2,892,172	-	**2,982,172**
Put option liability	-	2,435,100	-	**2,435,100**
As at March 31, 2021	**-**	**5,960,396**	**-**	**5,960,396**

A 10% increase/decrease in the price per share of the Company's embedded derivative classified as Level 2 would increase/decrease the Company's change in fair value of the embedded derivative by $nil (2021 – $605,575).

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company's management under the policies approved by board of directors. The principal financial risks are managed by the Company's finance department who work hand in hand with the Board and other key management personnel.

There were no transfers between level levels 1 and 2 for recurring fair value measurements during the year ended March 31, 2022. Further there was no transfer out of level 3 measurements.

<u>Credit risk</u>

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably credit worthy and through the continuous monitoring of financial exposure by customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

The following table summarizes the maturities of the Company's non-derivative financial liabilities as at March 31, 2022 and March 31, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 2,452,302	$ -	$ -	$ 2,452,302
Lease liability	75,723	123,743	37,144	236,610
Sellers' loan	4,950,832	-	-	4,950,832
Directors Loan	120,000	-	-	120,000
Other debt	-	146,337	-	146,337
March 31, 2022	**$ 7,598,857**	**$ 270,080**	**$ 37,144**	**$ 7,906,081**

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 1,192,902	$ -	$ -	$ 1,192,902
Lease liability	77,366	155,166	94,703	327,235
Sellers' loan	7,829,385	-	-	7,829,385
Directors Loan	225,000	-	-	225,000
March 31, 2021	**$ 9,324,653**	**$ 155,166**	**$ 94,703**	**$ 9,574,522**

The following table summarizes the maturities of the Company's derivative financial liabilities payable as at March 31, 2022 and March 31, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Put liability – consideration for non-controlling interest	$ -	$ 14,126,594	$ -	$ 14,126,594
March 31, 2022	$ -	$ 14,126,594	$ -	$ 14,126,594

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Convertible debentures	$ 709,420	$ 6,593,605	$ -	$ 7,303,025
Put liability – consideration for non-controlling interest	-	-	22,734,146	22,734,146
March 31, 2022	**$ 709,420**	**$ 6,593,605**	**$ -**	**$ 30,037,171**

Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

As at March 31, 2022, the Company had the following financial instruments denominated in foreign currencies:

Denominated in:	**USD**	**GBP**
Due to related party	-	2,905,780
Warrant liability	1,967,246	-
Put liability	-	2,738,035
Interest payable	-	109,894
	1,967,246	5,753,709
Foreign currency rate	1.2496	1.6417
Equivalent in Canadian dollars	2,458,271	9,445,864

Based on the about net exposure and assuming that all other variables remain constant, a 10% change in the USD against the CDN would impact net loss and comprehensive loss by $245,827 and a 10% change in the GBP against the CDN would impact net loss and comprehensive loss by $944,586.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to fair value risk with respect to convertible notes which bear interest at fixed rates.

20. Subsequent Events

(a) Refinancing of the Sellers' loan

On April 6, 2022, Britannia completed a debt financing arrangement with an external lender that has been used to repay the Sellers' loan in full and acquire an additional 10% of ADSL's share capital. The total loan principal value is £5,000,000, bearing interest at the higher of 9.5% per annum and 8.5% per annum plus the SONIA (Sterling Over Night Indexed Average).

(b) Subsequent ADSL Acquisition

On April 7, 2022, the Company acquired an additional 10% of the outstanding issued share capital of ADSL from the Sellers for £1,813,358 in cash.

(c) Expired Securities

During the period from April 1, 2022 to July 27, 2022, 395,795 vested equity warrants expired unexercised.