Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

Britannia Life Sciences Inc.

December 31, 2022 and 2021

Responsibility for Condensed Interim Consolidated Financial Statements

The Company's management is responsible for the integrity and fairness of presentation of these condensed interim consolidated financial statements. The condensed interim 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 condensed interim 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.

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying financial statements of the Company have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditor.

/s/ Peter Shippen
Chief Executive Officer
March 1, 2023

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars
(Unaudited)

	Note	December 31, 2022	March 31, 2022
		$	$
Assets			
Current assets:			
Cash		2,440,004	1,631,127
Accounts receivable		1,934,989	1,792,466
Prepaid expenses		19,584	61,021
Total current assets		4,394,577	3,484,614
Non-current assets:			
Property and equipment	4	465,424	545,796
Investment	6(b)	970,684	445
Goodwill and intangible assets	5	17,136,846	17,059,485
Total non-current assets		18,572,954	17,605,726
Total assets		**22,967,531**	**21,090,340**
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	17	3,292,094	3,200,654
Current portion of GLL loan payable	7	1,237,771	-
Interest payable	6(a)	-	180,413
Current portion of lease liability	8	58,845	50,310
Director's loan	11	120,000	120,000
Other debt	12	37,555	-
Sellers' loan	6(a)	-	4,770,419
Total current liabilities		4,746,265	8,321,796
Non-current liabilities:			
Lease liability	8	85,391	131,383
Warrant liability	10	27,144	2,458,271
Put option liability	6(a)	1,764,644	4,495,033
GLL loan payable	7	6,638,479	-
Other debt	12	86,337	122,487
Deferred income taxes		77,931	78,385
Total non-current liabilities		8,679,946	7,285,559
Total liabilities		**13,426,211**	**15,607,355**
Shareholders' equity:			
Share capital	13	17,107,347	17,068,847
Contributed surplus	13	157,101	157,101
Non-controlling interest		3,763,717	4,130,501
Warrant reserve	13	1,270,742	1,270,742
Options reserve	13	1,497,321	536,524
Accumulated other comprehensive loss		(1,747,762)	(1,483,347)
Deficit		(12,507,146)	(16,197,383)
Total shareholders' equity		9,541,320	5,482,985
Total liabilities and shareholders' equity		**22,967,531**	**21,090,340**

These consolidated interim financial statements were approved for issue on March 1, 2023 by the board of directors and signed on its behalf by:

"Peter Shippen" *"Greg Taylor"*

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

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Income and Comprehensive Income
For the Three and Nine Months Ended December 31, 2022 and December 31, 2021
Expressed in Canadian Dollars
(Unaudited)

Periods ended December 31,		Three months 2022	Three months 2021	Nine months 2022	Nine months 2021
		$	$	$	$
Product sales and other income		1,652,740	1,658,611	4,757,038	5,553,178
Cost of sales		419,623	434,221	1,219,440	1,297,410
Gross profit		1,233,117	1,224,390	3,537,598	4,225,768
Expenses					
Selling, general and administration	15	643,279	435,548	1,858,300	1,905,864
Finance		5,840	279,326	19,141	1,047,908
Share-based compensation	11, 13	222,571	149,622	960,797	149,622
		871,690	882,496	2,838,238	3,103,394
Income from operations		361,427	341,894	699,360	1,152,374
Other income (expense)					
Foreign currency translation gain (loss)		(1,280,791)	39,263	329,426	167,152
Change in fair value of put option liability	6(a)	179,802	211,895	1,609,774	757,507
Change in fair value of warrant liability	9, 10	161,199	(78,953)	2,431,127	55,842
Accretion expense	7, 12	(205,431)	(237,422)	(616,301)	(1,077,164)
Gain on dilution of BMS Inc.	6(b)	1,056,777	-	1,056,777	-
Share of loss of BMS Inc.	6(b)	(86,496)	-	(86,537)	-
Change in fair value of embedded derivative	9	-	236,201	-	598,722
Listing fees		-	(9,933,566)	-	(9,933,566)
		(174,940)	(9,762,582)	4,724,266	(9,431,566)
Income (loss) before income taxes		186,487	(9,420,688)	5,423,626	(8,279,133)
Provision for (recovery of) income taxes					
Current income taxes		70,710	232,152	308,318	728,315
Deferred income taxes		(47)	(3,807)	(8,768)	(9,227)
Total income taxes		70,663	228,345	299,550	719,088
Net income (loss)		115,824	(9,649,033)	5,124,076	(8,998,221)
Other comprehensive loss					
Currency translation differences		2,287,423	34,319	(203,566)	(820,247)
Comprehensive income (loss) for the period		2,403,247	(9,614,714)	4,920,510	(9,818,468)
Net income (loss) for the period attributable to:					
Non-controlling interest		170,165	317,898	604,992	1,145,693
Equity shareholders of the Company		(54,341)	(9,966,931)	4,519,084	(10,143,914)
Total		115,824	(9,649,033)	5,124,076	(8,998,221)
Other comprehensive income (loss) for the period attributable to:					
Non-controlling interest		408,834	(32,494)	60,849	(35,420)
Equity shareholders of the Company		1,878,589	66,813	(264,415)	(785,007)
Total		2,287,423	34,319	(203,566)	(820,247)
Basic and diluted weighted average shares outstanding	13	162,204,612	119,988,319	162,104,886	90,600,524
Basic and diluted loss per share		(0.00)	(0.08)	0.03	(0.11)

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

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the Nine Months Ended December 31, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited)

	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, 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	**50,956,116**	7,882,384	-	-	-			7,882,384	-	7,882,384
Equity issued for amalgamation	**30,301,940**	8,181,524	-	1,272,445	-			9,453,969	-	9,453,969
Options issued	**-**	-	-	-	149,622			149,622	-	149,622
Net income (loss) for the period	**-**	-	-	-	-	(10,143,914)	-	(10,143,914)	1,145,693	(8,998,221)
Other comprehensive income (loss) for the period	**-**	-	-	-	-	-	(785,007)	(785,007)	(35,240)	(820,247))
Balance at December 31, 2021	**158,884,388**	**16,492,175**	**157,101**	**1,272,445**	**149,622**	**(10,882,965)**	**(846,586)**	**(6,341,792)**	**3,975,388**	**10,317,180**
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**
Equity issued for advisory services	350,000	38,500	-	-	-	-	-	38,500	-	38,500
Options issued	-	-	-	-	960,797	-	-	960,797	-	960,797
Net income for the period	-	-	-	-	-	4,519,084	-	4,519,084	604,992	5,124,076
Acquisition of non-controlling interest (note 6(a))	-	-	-	-	-	(828,847)	-	(828,847)	(1.032,625)	(1,861,472)
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(264,415)	(264,415)	60,849	(203,566)
Balance at December 31, 2022	**162,254,339**	**17,107,347**	**157,101**	**1,270,742**	**1,497,321**	**(12,507,146)**	**(1,747,762)**	**5,777,603**	**3,763,717**	**9,541,320**

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

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statement of Cash Flows

For the nine-months ended December 31, 2022 and December 31, 2021
(Expressed in Canadian Dollars, except per share amounts)
(Unaudited)

	Note	2022	2021
		$	**$**
OPERATING ACTIVITIES			
Net Income		**5,124,076**	(8,998,221)
Adjustments for items not involving cash			
Depreciation and amortization	4, 5	**156,766**	143,581
Non-cash listing fees		**-**	10,078,561
Share-based payments	11	**960,797**	149,622
Interest on lease liability	8	**19,141**	26,767
Foreign currency translation gain		**(287,322)**	195,546
Change in fair value of embedded derivative	9	**-**	(598,722)
Change in fair value of put liability	6(a)	**(1,609,774)**	(757,507)
Change in fair value of warrant liability	9, 10	**(2,431,127)**	(55,842)
Accretion expense	7, 12	**616,301**	1,077,164
Gain on dilution of Britannia Mining Solutions Inc.	6(b)	**(1,056,777)**	-
Share of loss of Britannia Mining Solutions Inc.	6(b)	**86,537**	
Deferred income tax		**(8,768)**	(9,227)
		1,569,850	1,251,722
Changes in non-cash working capital items			
Accounts receivable		**(142,523)**	(36,866)
Prepaid expenses		**41,437**	(90,830)
Accounts payable and accrued liabilities		**91,439**	1,383,534
Total changes in non-cash working capital items		**(9,647)**	1,255,838
NET CASH FLOWS FROM OPERATING ACTIVITIES		**1,560,203**	2,507,560
INVESTING ACTIVITIES			
Acquisition of non-controlling interest	6(a)	**(2,982,066)**	-
Acquisition of intangibles	5	**(212,976)**	-
Acquisition of equipment	4	**(37,741)**	(73,162)
Cash acquired on reverse takeover		**-**	741,032
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(3,232,783)**	667,870
FINANCING ACTIVITIES			
Proceeds on GLL financing	7	**7,956,453**	-
Principal and interest payment on Sellers' loan	7, 11	**(4,959,276)**	(3,439,102)
Interest payments on GLL loan	7	**(540,914)**	-
Lease payments	8	**(48,906)**	(57,217)
Costs incurred related to reverse takeover		**-**	(596,037)
Proceeds on issuance of convertible debt	9	**-**	1,628,855
NET CASH FLOWS FROM FINANCING ACTIVITIES		**2,407,357**	(2,463,501)
Effect of exchange rate changes on cash and cash equivalents		**74,100**	(6,472)
Increase in cash and cash equivalents		**808,877**	705,457
Cash and cash equivalents at beginning of period		**1,631,127**	828,321
Cash and cash equivalents at end of period		**2,440,004**	1,533,778

(Expressed in Canadian Dollars, except per share amounts)

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's common shares are publicly traded on the Canadian Securities Exchange (BLAB: CSE). 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.

2. Basis of Preparation

(a) Statement of compliance

These condensed interim consolidated financial statements for the three and nine months ended December 31, 2022 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Accordingly, certain information and footnote disclosure normally included in annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), have been omitted or condensed.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those set out in note 2, Basis of Preparation, and note 3, Significant Accounting Policies, of the Company’s annual consolidated financial statements for the year ended March 31, 2022.

These condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended March 31, 2022.

(b) Basis of consolidation

The condensed interim 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	70%

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 condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 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.

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.

(Expressed in Canadian Dollars, except per share amounts)

- 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

These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods as those used in the Company's annual consolidated financial statements as at and for the year ended March 31, 2022.

4. Property and Equipment

	Fixtures & Fittings	Computer Equipment	Right-of-Use Asset	Total
	$	$	$	$
Cost				
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
Additions	35,416	2,325	-	37,741
Effect of foreign exchange	(3,080)	(169)	4,877	1,628
Balance, December 31, 2022	**564,635**	**31,302**	**199,968**	**795,905**
Depreciation				
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
Depreciation	75,897	4,367	33,714	113,978
Effect of foreign exchange	(1,130)	26	6,867	5,763
Balance, December 31, 2022	**224,934**	**12,188**	**93,359**	**330,481**
Net book value, March 31, 2022	**382,132**	**21,351**	**142,313**	**545,796**
Net book value, December 31, 2022	**339,701**	**19,114**	**106,609**	**465,424**

(Expressed in Canadian Dollars, except per share amounts)

5. Goodwill and intangible assets

	Website	Goodwill	Total
	$	$	$
Cost			
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
Additions	212,976	-	212,976
Effect of foreign exchange	(27)	(98,708)	(98,735)
Balance, December 31, 2022	**217,639**	**16,959,106**	**17,176,745**
Amortization			
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
Amortization	42,788	-	42,788
Effect of foreign exchange	(5,907)	-	(5,907)
Balance, December 31, 2022	**39,900**	**-**	**39,900**
Net book value, March 31, 2022	**1,671**	**17,057,814**	**17,059,845**
Net book value, December 31, 2022	**177,739**	**16,959,106**	**17,136,845**

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.

On April 7, 2022, the Company acquired an additional 10% of the outstanding issued share capital of ADSL (the “Subsequent ADSL Acquisition”). A cash payment of GBP 1,813,358 was paid as consideration for the Subsequent ADSL Acquisition (CAD: $2,982,066).

(Expressed in Canadian Dollars, except per share amounts)

The put liability has been reduced accordingly and an adjustment has been made to non-controlling interest to reflect the change in ownership post transaction and on December 31, 2022.

	$
Cash payment to minority shareholders	2,982,066
Reduction in put liability	(1,120,594)
Reduction in non-controlling interest	(1,032,625)
Equity adjustment	828,847

As at December 31, 2022, the fair value of the put liability was remeasured to $1,764,664 (GBP 1,081,157), generating a gain on the change in the fair value of the put liability for the three and nine months ended December 31, 2022 of $179,802 and $1,609,774 respectively.

b) 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 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 owned 50% of the outstanding issued share capital of BMS and 50% of the voting rights of BMS. During the three months ended December 31, 2022 BMS issued 204,000 BMS common shares at $10.00 per share after which the Company owns 42% of the outstanding issued share capital 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 are elected by the shareholders, accordingly the investment does 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**
Gain on dilution after equity issue	1,056,777
Share of loss in BMS	(86,537)
Balance as at December 31, 2022	**970,684**

7. Loan Payable

On April 7, 2022, the Company completed a debt financing arrangement with Growth Lending 2021 Limited (“GLL”) that was used to repay the Sellers’ loan in full and acquire an additional 10% of ADSL’s share capital (see Note 6(a)). The total loan principal value is £5,000,000 with a termination date of April 6, 2027. As security the Company has pledged the share capital it holds in ADSL and a debenture has been issued between GLL and each of BBCL and ADSL. Interest is payable monthly in advance from inception of the loan and is calculated monthly based on the capital outstanding at the higher of 9.5% per annum and 8.5% per annum plus the SONIA (Sterling Over Night Indexed Average). Principal repayments begin in April 2023 with equal monthly instalments of principal and interest from then until April 2027.

(Expressed in Canadian Dollars, except per share amounts)

8. Lease Liability

	$
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**
Lease payments	(48,906)
Lease interest	19,141
Effect of foreign exchange	(7,692)
Balance as at December 31, 2022	**144,236**
Current	58,845
Non-current	85,391
Balance as at December 31, 2022	**144,236**

9. 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.

The Debentures bore interest at 10% per annum with interest payable annually on December 31, and were to mature two years from the respective Closing Dates. Each Debenture was 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.

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 did not complete a Liquidity Event on or before the date which is 18 months from the Closing Date, the holders of the Debentures would 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 on November 12, 2021. Upon the RTO, any accrued and unpaid interest with respect to the Debentures was 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).

The total amount of the convertible debenture conversion reclassified to equity on November 12, 2021 was $4,114,145. The total amount of the embedded derivative reclassified to equity on November 12, 2021 was $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.

10. 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 9 for details of warrants issued in conjunction with the convertible debentures.

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.

2,799,240 warrants are held in escrow at December 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 December 31, 2022 of $27,144 ($2,458,271 as at March 31, 2022) 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	0.08	0.09	0.27	0.53
Market Price	0.09	0.09	0.09	0.09
Strike price	USD $0.17	USD $0.17	USD $0.17	USD $0.17
Risk free interest rate	4.019%	4.019%	4.019%	4.019%
Dividend yield	0%	0%	0%	0%
Expected volatility	80%	80%	80%	80%

(Expressed in Canadian Dollars, except per share amounts)

The continuity of the warrant liability is as follows:

	Convertible Debenture Warrants	Brokers' Warrants	Total
Balance as at March 31, 2022	2,402,139	56,132	2,458,271
Change in fair value	(2,381,331)	(49,796)	(2,431,127)
Balance as at December 31, 2022	**$ 20,808**	**$ 6,336**	**$ 27,144**

The following summarizes information about the warrant liabilities outstanding at December 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	514	0.08
Feb 2, 2023	19,845,360	19,845,360	0.21	1,099	0.09
Apr 7, 2023	9,992,340	9,992,340	0.21	19,195	0.27
July 14, 2023	893,100	893,100	0.21	6,336	0.53
	48,316,080	48,316,080	0.21	27,144	0.10

11. Related Party Transactions and Balances

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

	Three months ended December 31, 2022	2021	Nine months ended December 31, 2022	2021
	$	$	$	$
Share based compensation	222,571	109,184	960,797	109,184
Salaries, fees and short term benefits	262,823	127,561	550,611	269,478
Interest expense	-	267,412	-	998,492
	485,394	504,157	1,511,408	1,377,154

As at December 31, 2022, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of $436,626 (2021 - $95,228).

Director's loan
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. 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) and the deadline for repayment was further extended to March 31, 2022. On April 7, 2022 The Company made a cash payment of $4,959,276 (GBP 3,015,674) to fully repay the remaining principal balance of the loan and accrued interest using the proceeds of the GLL loan facility (See Note 7).

12. Other Debt

The continuity of other debt is as follows:

	Note Payable (a)	CEBA Loan (b)	Total
	$	$	$
As at March 31, 2022	86,337	36,150	122,487
Accretion expense	-	1,405	1,405
Balance, December 31, 2022	86,337	37,555	123,892

(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 December 31, 2022 is $36,337 (March 31, 2022: $36,337). As of December 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 outstanding share capital is as follows:

	Shares	Amount	Share issuance costs	Total
	#	$	$	$
As at March 31, 2022	161,904,339	17,082,561	(13,714)	17,068,847
Equity issued for advisory services	350,000	38,500	-	38,500
As at December 31, 2022	**162,254,339**	**17,121,061**	**(13,714)**	**17,107,347**

37,468,858 common shares are held in escrow at December 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 (see note 10).

Warrants

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

	Number of Warrants	Weighted average exercise price
		$
As at March 31, 2022	10,677,735	0.25
Expired	(395,795)	1.40
Outstanding as at December 31, 2022	10,281,940	0.25
Exercisable as at December 31, 2022	10,281,940	0.25

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

Expiry Date	Warrants outstanding	Warrants exercisable	Weighted average exercise price	Estimated issue date fair value	Weighted average remaining outstanding contractual life
May 12, 2023	10,281,940	10,281,940	0.21	1,270,742	0.36
	10,281,940	10,281,940	0.21	1,270,742	0.36

(Expressed in Canadian Dollars, except per share amounts)

Options

The Company has a stock option plan 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.

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

Expiry Date	Options issued	Options outstanding	Options exercisable	Weighted average of exercise price	Estimated issue date fair value	Weighted average remaining outstanding contractual life
				$	$	
Nov 12, 2023	13,320,000	13,320,000	7,992,000	0.21	1,274,750	0.86
July 17, 2023	50,000	50,000	50,000	3.00	-	0.54
	13,370,000	13,370,000	8,042,000	0.22	1,274,750	0.86

The Company recognized share-based payment related to the issuance of stock options for the three and nine month period ended December 31, 2022 of $222,572 and $960,797 (2021: $149,622 and $149,622), respectively.

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 to any externally imposed capital requirements.

15. Selling, general and administrative expense

Included in selling, general, and administrative expense for the three and nine months ended December 31, 2022 and 2021 are the following:

	For the three-months ended December 31, 2022	2021	For the nine-months ended December 31, 2022	2021
Pay, consulting and benefits	**$ 389,301**	$ 353,200	**$ 922,459**	$ 805,777
Office and general	**165,269**	139,803	**393,860**	732,416
Professional fees expense	**25,369**	(90,396)	**355,179**	215,764
Amortization and depreciation	**56,943**	47,065	**156,766**	143,581
Travel and other	**6,397**	3,876	**15,419**	8,326
Stamp duty	**-**	-	**14,617**	-
	$ 643,279	$ 453,548	**$ 1,858,300**	$ 1,905,864

(Expressed in Canadian Dollars, except per share amounts)

16. 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 expect that the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

17. Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

	December 31, 2022	March 31, 2022
	$	$
FVTPL, measured at fair value:		
Cash	**2,440,004**	1,631,127
Warrant liability	**27,144**	2,458,2171
Put option liability	**1,764,644**	4,495,033
Financial assets, measured at amortized cost:		
Accounts receivable	**1,934,989**	1,792,466
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**3,292,094**	2,452,302
Interest payable	**-**	180,413
Sellers' loan agreement	**-**	4,770,419
GLL payable	**7,876,250**	-
Director's loan	**120,000**	120,000
Lease liability	**144,236**	181,693
Other debt	**123,892**	122,487

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

Fair values of financial assets and financial liabilities

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.

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	2,440,004	-	-	**2,440,004**
As at December 31, 2022	**2,440,004**	**-**	-	**2,440,004**
Financial liabilities				
Warrant liability	-	27,144	-	**27,144**
Put option liability	-	1,764,644	-	**1,764,644**
As at December 31, 2022	**-**	**1,791,808**	**-**	**1,791,808**

(Expressed in Canadian Dollars, except per share amounts)

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 three and nine month periods ended December 31, 2022. Further there was no transfer out of level 3 measurements.

Credit risk

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 December 31, 2022 and March 31, 2022 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 2,376,831	$ -	$ -	$ 2,376,831
Lease liability	77,121	83,242	18,668	179,031
GLL loan	1,304,566	3,967,328	2,889,106	8.161,000
Directors loan	120,000	-	-	120,000
Other debt	-	123,892	-	123,892
December 31, 2022	**$ 3,878,518**	**$ 4,174,462**	**$ 2,907,774**	**$ 10,960,754**

	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**

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 December 31, 2022, the Company had the following financial instruments denominated in foreign currencies:

Denominated in:	**USD**	**GBP**
Warrant liability	20,041	-
Put liability	-	1,081,157
	20,041	1,081,157
Foreign currency rate	1.3544	1.6322
Equivalent in Canadian dollars	27,144	1,764,664

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 $2,714 and a 10% change in the GBP against the CDN would impact net loss and comprehensive loss by $176,466.

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.