POLARIS NORTHSTAR CAPITAL CORP.
(FORMERLY GLOBAL CARE CAPITAL INC.)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Polaris Northstar Capital Corp. (formerly Global Care Capital Inc.)**

Opinion
We have audited the financial statements of **Polaris Northstar Capital Corp.** (formerly Global Care Capital Inc.) (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the 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.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in this report:

<u>Valuations of Investments in Private Entities</u>
As more fully described in Notes 2 and 6 to the financial statements, the Company has considered itself as an investment entity and has applied exemption of IFRS 10 Consolidation not to consolidate a subsidiary when entity is an investment entity when it obtains control of another entity, and instead, an investment entity shall measure an investment in subsidiary at fair value through profit or loss in accordance with IFRS 9. During and as at December 31, 2022, the Company has a number of investments in the controlled subsidiaries as detailed discussed in the Note 6 to the financial statements, these investments are valued at fair value through profit or loss and estimates and judgements are involved in determination the fair value.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Reviewed management assessment of meeting criteria of investment entity; and
- Reviewed valuation techniques and assumptions used by management to determine the fair value of investment.

Valuations of Convertible Debenture
As more fully described in Note 9 to the financial statements, the Company has concluded the convertible debenture is a hybrid financial instrument with a liability host instrument and an embedded derivative, and has designated it at fair value to profit or loss. The assumptions and judgements are required when measuring the convertible debenture at the fair value.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Reviewed management assessment of accounting treatment the convertible debenture; and
- Reviewed the management's expert work including the valuation technique used and evaluation the reasonableness of the assumptions used to determine the fair value of convertible debenture.

Other information
Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related 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.

Auditor's responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Canadian generally accepted auditing standards 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 from 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose 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 auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 audit resulting in this independent auditor’s report is Linda Zhu.

Mao & Ying LLP

Vancouver, Canada,
August 4, 2023

Chartered Professional Accountants

POLARIS NORTHSTAR CAPITAL CORP. (FORMERLY GLOBAL CARE CAPITAL INC.)
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS)

	Notes		2022		2021
ASSETS					
Current					
Cash and cash equivalents		$	**111,568**	$	617,714
Prepaid expense			**2,625**		-
Investments	**6**		**-**		5,412
Total current assets			**114,193**		623,126
Promissory note receivable	**5**		**32,774**		-
Investments	**6**		**320,897**		2,337,488
Total assets		$	**467,864**	$	2,960,614
LIABILITIES					
Current					
Accounts payable and accrued liabilities	**7,10**	$	**542,335**	$	821,417
Convertible debenture	**9**		**531,237**		-
Total liabilities			**1,073,572**		821,417
SHAREHOLDERS' (DEFICIT) EQUITY					
Share capital	**8**		**124,619,396**		122,245,263
Share-based payments reserve	**8**		**30,203,250**		29,987,250
Accumulated deficit			**(155,428,354)**		(150,093,316)
Total shareholders' (deficit) equity			**(605,708)**		2,139,197
Total liabilities and shareholders' (deficit) equity		$	**467,864**	$	2,960,614

Going concern (Note 1)
Subsequent events (Note 14)

These financial statements were approved for issue by the Board of Directors of the Company on August 4, 2023, and were signed on its behalf by:

"Ho Hung Ricky Chung" Director *"Hugh Maddin"* Director

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

POLARIS NORTHSTAR CAPITAL CORP. (FORMERLY GLOBAL CARE CAPITAL INC.)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

	Notes	2022 $	2021 $
Investment income (loss)			
Fair value adjustment on investments	6	**(3,318,001)**	(26,517,217)
Dividends income		**435,101**	-
Net realized loss on disposal of investments		**(1)**	(209,443)
Net investment loss		**(2,882,901)**	(26,726,660)
Expenses			
Consulting fees	10	**645,289**	299,510
Corporate development		**41,008**	290,167
Office and miscellaneous		**48,480**	14,108
Professional fees		**349,611**	264,793
Regulatory and transfer agent fees		**19,318**	36,460
Share-based compensation	8	**-**	478,480
		1,103,706	1,383,518
Loss before other expense		**3,986,607**	28,110,178
Other (income) expense			
Interest income		**(10,716)**	-
Transaction cost	9	**285,294**	-
Provision of receivables	4	**720,967**	-
Gain on debt settlement	8	**(49,372)**	-
Foreign exchange loss		**56,287**	-
Fair value adjustment of convertible debenture	9	**345,971**	-
		1,348,431	-
Net loss and comprehensive loss for the year		**(5,335,038)**	(28,110,178)
Net loss per share, basic and diluted		**(0.27)**	(1.98)
Weighted average number of shares outstanding		**20,072,348**	14,225,986

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

POLARIS NORTHSTAR CAPITAL CORP. (FORMERLY GLOBAL CARE CAPITAL INC.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

		2022		2021
Operating activities				
Net loss for the year	$	**(5,335,038)**	$	(28,110,178)
Items not affecting cash:				
Net change in fair value adjustment on investments		**3,318,001**		26,517,217
Realized loss on sale of investments		**1**		209,443
Provision of receivable		**720,967**		-
Gain from debt settlement		**(49,372)**		-
Transaction cost		**285,294**		-
Fair value adjustment of convertible debenture		**345,971**		-
Interest income		**(7,908)**		-
Share-based compensation		**-**		478,480
Shares issued for service		**-**		35,200
Unrealized loss on exchange		**1,019**		-
		(721,065)		(869,838)
Changes in non-cash working capital items:				
Prepaid expenses		**(2,625)**		-
Receivables from CCM		**(720,967)**		(126,231)
Accounts payable and accrued liabilities		**214,635**		450,063
Net cash used in operating activities		**(1,230,022)**		(546,006)
Investing activities				
Proceeds from sale of investments		-		202,112
Promissory note receivable		**(25,884)**		-
Net cash (used in) provided by investing activities		**(25,884)**		202,112
Financing activities				
Proceeds from convertible debenture		**749,760**		-
Exercise of warrants		**-**		640,000
Net cash provided by financing activities		**749,760**		640,000
(Decrease) increase in cash and cash equivalents		**(506,146)**		296,106
Cash and cash equivalents, beginning of year		**617,714**		321,608
Cash and cash equivalents, end of year	$	**111,568**	$	617,714
Non-cash transactions				
Share issued on acquisition of ASIC	$	**-**	$	11,500,000
Share issued to settle consideration payable to Healthview Technologies		**-**		1,700,000
Share issued for acquisition of CCM Technologies		**-**		9,887,850
Warrant issued for CCM Technologies		**-**		6,640,254
Share issued for transaction cost		**285,294**		
Share issued to settle debt		**444,345**		727,000
Share issued as finder fees		**-**		24,591
Shares issued on conversion of convertible debenture		**564,494**		-
Share issued for acquisition of MK Highway		**1,080,000**		-
Warrant issued for acquisition of MK Highway		**216,000**		-

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

POLARIS NORTHSTAR CAPITAL CORP. (FORMERLY GLOBAL CARE CAPITAL INC.)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

	Number of Shares (Note 8)	Share Capital	Share-based payments reserve	Accumulated deficit	Total Shareholders' Equity (Deficit)
Balance, December 31, 2020	5,277,162	$ 96,909,265	$ 23,714,464	$(121,983,138)	$ (1,359,409)
Share issued to Healthview Technologies	1,000,000	1,700,000	-	-	1,700,000
Share issued to ASIC	5,000,000	11,500,000	-	-	11,500,000
Warrants exercise	616,250	1,510,539	(870,539)	-	640,000
Finder warrants	-	(24,591)	24,591	-	-
Share issued to CCM Technologies	4,708,500	9,887,850	6,640,254		16,528,104
Shares issued to settle CCM loan	403,889	727,000	-	-	727,000
Share issued for service	27,076	35,200			35,200
Share based compensation	-	-	478,480	-	478,480
Loss and comprehensive loss for the year	-	-	-	(28,110,178)	(28,110,178)
Balance, December 31, 2021	17,032,877	$ 122,245,263	$ 29,987,250	$ (150,093,316)	$ 2,139,197
Share issued for settlement of debt	493,717	444,345	-	-	444,345
Transaction cost – convertible debenture	316,994	285,294	-	-	285,294
Shares issued on conversion of convertible debenture	3,793,722	564,494	-	-	564,494
Shares and warrants issued on acquisition of investment	10,800,000	1,080,000	216,000	-	1,296,000
Loss and comprehensive loss for the year	-	-	-	(5,335,038)	(5,335,038)
Balance, December 31, 2022	**32,437,310**	**$ 124,619,396**	**$ 30,203,250**	**$ (155,428,354)**	**$ (605,708)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Polaris Northstar Capital Corp. (formerly Global Care Capital Inc.) ("Polaris Northstar Capital" or the "Company") was incorporated under the laws of British Columbia on May 25, 2004. On April 13, 2020, the Company changed its name from Resinco Capital Partners Inc. to Global Care Capital Inc. The Company's shares are listed for trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "POLE", the Frankfurt Stock Exchange under the symbol L6V1.F and in the US on the OTC market, under the symbol RSCZF. The registered office of the Company is Suite 303 - 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

Polaris Northstar Capital is a global investment company which specializes in providing early-stage financing to private and public companies in the cryptocurrency, blockchain, healthcare and resource sectors. The Company engages in new, early-stage investment opportunities in previously underdeveloped assets and obtaining significant positions in early-stage investment opportunities that adequately reflect the risk profile.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2022, the Company has a working capital deficiency of $959,379 (December 31, 2021 – $198,291) and accumulated deficit of $155,428,354 (December 31, 2021 - $150,093,316). These factors indicate the existence of a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate cash flows from additional equity financing and/or through the sales of investments. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, in which case such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

Basis of presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian Dollars, which is the Company's functional and presentation currency.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Critical accounting estimates are estimates, judgments and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Investments in private companies – Where the fair values of investments in private companies recorded on the statements of financial position cannot be derived from active markets; they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value (also see Notes 3 and 6).

Fair value model – The Company requires to use valuation techniques to estimate the fair value. The fair value of share options is estimated using the Black-Scholes Option Pricing Model. The fair value of the convertible debenture (Note 9) is estimated based on the average of two valuation methods (i) Black Scholes Option Pricing Model and (ii) Finnerty. The valuation model is subject to the limitation of the market data which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the valuation model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimation.

Deferred tax assets – Judgment is required in determining whether deferred tax assets are recognized in the statements of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statements of financial position could be impacted. Additionally, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future years. The Company has not recorded any deferred tax assets.

Contingent consideration liabilities – Judgment is required in determining whether contingent consideration is classified as a liability or equity. Estimates are required in determining the probabilities and amount due under contingent consideration arrangements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these financial statements, unless otherwise indicated.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less. As at December 31, 2022 and December 31, 2021, the Company does not have any cash equivalents.

IFRS 9, Financial Instruments

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss (FVTPL), those measured at fair value through other comprehensive income (FVTOCI), and those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company classifies its accounts payable and accrued liabilities as other financial liabilities. These financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company has assessed the classification and measurement of financial assets and financial liabilities in the following table:

	Measurement category
Financial assets:	
Cash and cash equivalents	FVTPL
Investments	FVTPL
Promissory note receivable	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost
Convertible debenture	FVTPL

Investments

All investments are classified upon initial recognition at fair value through profit or loss, with changes in fair value recognized in the statements of net loss and comprehensive loss. Purchases and sales of investments are recognized on the settlement date.

Investments at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the statements of comprehensive loss. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the statements of net loss and comprehensive loss within net change in unrealized gains or losses on investments in the year in which they arise.

The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting year, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (Note 11).

Investment in controlled subsidiaries

From time to time, the Company is holding the controlling interest in the investees. The Company applied exemption of IFRS 10 *Consolidation,* not to consolidate a subsidiary when entity is an investment entity when it obtains control of another entity, and instead, an investment entity shall measure an investment in subsidiary at fair value through profit or loss in accordance with IFRS 9.

Public investments

Securities, including shares, which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing bid prices at the statement of financial position dates or the closing bid price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 in Note 11.

Private investments

All privately held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting year, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 11.

The determinations of fair value of the Company's privately held investments at other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting year. In addition to company-specific information, the Company will consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly traded companies indicates generally that the fair value of the investment has not materially changed.

The fair value of a privately held investment may be adjusted if:

a. there has been a significant subsequent equity financing provided by outside arm's length investors, at a valuation above or below the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
b. there have been significant corporate, political, or operating events affecting the investee company that, in management's opinion, have an impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
c. the investee company is placed into receivership or bankruptcy;
d. based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;
e. receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);
f. filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;
g. release by the investee company of positive/negative exploration results; and
h. important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

In addition, the amounts at which the Company's privately held investments could be disposed of currently may differ from the carrying value assigned.

Investment Income (Loss)

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and fair value adjustments of investments are reflected in the statements of net loss and comprehensive loss.

All transaction costs associated with the acquisition and disposition of investments are expensed to the statements of loss and comprehensive loss as incurred. Dividend income is recorded on the declaration date and when the right to receive the dividend has been established.

Interest income is recorded on an accrual basis when reasonable assurance exists regarding measurement and collectability.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statement of loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of loss.

Share-based payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payments expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of share options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at the grant date and each tranche is recognized over the year during which the options vest. 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. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of share options that are expected to vest.

Share capital

Proceeds from the exercise of share options and warrants, in addition to the estimated fair value attributable to these equity instruments, are recorded as share capital when exercised. In a unit offering, the Company prorates the proceeds between common shares and warrants using the relative fair value method. Share issuance costs are recorded as a reduction of share capital.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit and loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for shares held. Diluted loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. These instruments are currently excluded from the calculation of diluted earnings per share as they are antidilutive for the years presented.

Income taxes

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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. 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.

Leases

The Company adopted IFRS 16, Leases, on January 1, 2019. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently. There was no material impact on the Company's financial statements upon adoption of this standard. During the year ended December 31, 2022 and 2021, the Company does not have material lease agreements.

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2022 and have not been applied in preparing these financial statements. None of these pronouncements are expected to have material impact on the Company's financial statements.

New IFRS Pronouncements

The new standards and amendments to standards and interpretations which became effective during the year ended December 31, 2022 have not material impact to the Company's financial statements. The new standards and amendments to standards and interpretations which have been issued but are not yet effective are not expected to have a significant effect on the Company's financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. PROVISION OF RECEIVABLES

The Company recognized a total loss allowance of $720,967 on the receivables from CCM Technologies Inc. (see Note 6).

5. PROMISSORY NOTE RECEIVABLE

On July 15, 2022, the Company has signed a promissory note agreement with Luxwing Holdings Limited ("Luxwing Holdings") , the borrower, for a principal amount of US$20,000 to be repaid by the borrower on or before August 15, 2022. The Company will earn a minimum fee of US$5,000. The total repayment to the Company will be equal to US$25,000 plus interest at 2.5% per annum, calculated daily. The promissory note is secured by a debt assignment note of CAD $250,000.

On August 15, 2022, the Company has signed an Extension Agreement to extend the maturity of this promissory note for 30 days to September 15, 2022 and for consideration of a US$1,000 extension fee to be added to the total of the amount repayable by the new maturity date on the note. All other terms and covenants of the note remains the same as original agreement and agreed to on this extension notice.

On October 25, 2022, the Company agreed to an additional extension on payment of promissory note that was lent to Luxwing Holdings on July 15, 2022.

As per this Extension Agreement, Luxwing Holdings has agreed to pay an additional extension fee of US$2,000 to extend the due and maturity date of this promissory note to November 30, 2022. Luxwing Holdings has paid a total of US$3,000 in extension fees on November 18, 2022.

On March 2, 2023, the Company and the Luxwing Holdings Limited has signed an another extension agreement whereby the Luxwing Holdings agreed to pay additional extension fee of $5,000 to extend the maturity of promissory note to February 29, 2024. In connection with this extension, Luxwing Holdings agreed to pay $4,000 toward the principal loan amount. The aggregate amount of $9,000 in fees was received by the Company on March 2, 2023 (Note 14 (iii)).

The promissory note balance along with the fees and interest calculated at $32,774 was outstanding as of December 31, 2022 (December 31, 2021 - $Nil).

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

6. INVESTMENTS

At December 31, 2022, the Company held the following investments:

Investee	Number of Shares	Cost $	Fair Value $
Public Companies			
Metaverse Capital Corp.	5,058,583	101,172	-
Shoal Point Energy Ltd.	8,600	28,995	301
Coinsmart Financial Inc.	1,804	-	189
		130,167	490
Private Companies			
ASIC Power Corporation	100,000,000	11,500,000	-
CCM Technologies Inc.	102,247,775	17,255,104	1
Healthview Technologies Inc.	20,000,000	3,250,000	-
High Standard Health Care Ltd.	27,000,000	6,885,000	-
MK Highway Corp.	10,833,533	1,296,000	1
Pembrook Copper Corp.	320,000	452,000	1
Vancity Green List Inc.	100	1,200,000	-
ViralClear Rapid Test Corp.	24,000,000	30,554,645	320,404
360 Life Sciences Corp.	800,000	10,750,000	-
		83,142,749	320,407
		83,272,916	320,897

At December 31, 2021, the Company held the following investments:

Investee	Number of Shares	Cost $	Fair Value $
Public Companies			
Metaverse Capital Corp.	5,058,583	101,172	3,584
Shoal Point Energy Ltd.	8,600	28,995	259
Coinsmart Financial Inc.	15,566	-	1,569
		130,167	5,412
Private Companies			
ASIC Power Corporation	100,000,000	11,500,000	519,250
CCM Technologies Inc.	102,247,775	17,255,104	729,496
Healthview Technologies Inc.	20,000,000	3,250,000	-
High Standard Health Care Ltd.	27,000,000	6,885,000	-
Pembrook Copper Corp.	320,000	452,000	1
Vancity Green List Inc.	100	1,200,000	-
ViralClear Rapid Test Corp.	24,000,000	30,554,645	1,088,740
360 Life Sciences Corp.	800,000	10,750,000	1
		81,846,749	2,337,488
		81,976,916	2,342,900

ASIC Power Corporation

On January 28, 2021, the Company acquired all the issued and outstanding securities in the capital of ASIC Power Corporation ("ASIC") in exchange for 5,000,000 common shares of the Company with a fair value of $11,500,000 based on the Company's stock trading price at share issuance date. ASIC's only operation is royalty income from a cryptocurrency royalty contract. As December 31, 2021, included in the accounts payable and accrued liabilities, the Company had a balance owing to ASIC in the amount of $236,445.

As at December 31, 2021, the fair value of the investment in ASIC was estimated to be $519,250 by reference to the ASIC's projected future royalty income.

ASIC receives royalty streaming payments in the form of Bitcoin ("BTC") from its counterparty based in Kazakhstan. Due to geopolitical factors in Kazakhstan, as well as a change in the Kazakhstan rules with respect to crypto currency mining, royalty streaming payments to ASIC were suspended since March 31, 2022. As a result, the fair value of the investment in ASIC is estimated to be $nil as at December 31, 2022.

CCM Technologies Inc.

On June 2, 2021, the Company acquired 100% of the issued and outstanding common shares and warrants of 1290369 B.C. Ltd. (d/b/a CCM Technologies Inc.) ("CCM") by way of a share exchange agreement. The Company issued from treasury to the shareholders and warrant holders of CCM pro rata 4,708,500 common shares with a fair value of $9,887,850 measured by the Company's stock trading price at share issuance date and 3,250,000 common share purchase warrants with a fair value of $6,640,254 using the Black-Scholes pricing model with the weighted average assumptions used as fully disclosed in, respectively. Each warrant provides the holder with an option to purchase one common share of the Company at a price of $1 and of which 2,500,000 warrants expire on March 1, 2023, and the remainder of 750,000 warrants expire on April 20, 2023. There is no hold period for the shares or warrants pursuant to applicable securities laws, however, 4,458,500 shares are subject to a voluntary hold period (the "Voluntary Restrictions") with 2,208,500 being released on the date that is 4 months from June 2, 2021 (the "Closing Date"), being October 3rd, 2021, and an additional 375,000 being released on each of the 6, 12, 18, 24, 30 and 36-month anniversaries of the Closing Date.

On June 8, 2021, the Company issued 403,889 common shares with a fair value of $727,000 measured based on the Company's stock trading price at share issuance date to a creditor of CCM for the debt assumed by the Company pursuant to the terms of the agreement between CCM and the Company.

As at December 31, 2022 the total investment in CCM is re-measured at its estimated fair value of $1 (December 31, 2021 - $729,496). The loss from revaluation of investment of $729,495 was recognized in the statement of loss and comprehensive loss. During the year ended December 31, 2022, the Company of incurred $720,967 expenditures on behalf of CCM, this amount is recorded as provision of receivables in the statement of loss and comprehensive loss.

Healthview Technologies Inc.

On September 14, 2020, the Company acquired all the issued and outstanding securities in the capital of Healthview Technologies Inc. ("Healthview") in exchange for 1,000,000 common shares of the Company with an estimated fair value of $1,300,000 and 1,000,000 contingently issuable shares with an estimated fair value of $1,950,000 at that time. Healthview provided wellness support and mental health solutions and services to both employers and employees. During the year ended December 31, 2021, Healthview achieved its two earn-out milestones by onboarding its first customers across the retail, hospitality, medical, finance and transportation industries to offer Mental Health Services and by generating revenue. As a result, the Company issued 1,000,000 common shares (the "Earn-Out Shares") with a fair value of $1,700,000. The Earn-Out Shares are not subject to any hold year under applicable securities laws. As at December 31, 2022, the estimated fair value of the investment in Healthview is $nil (December 31, 2021 - $nil).

High Standard Health Care Ltd.

On June 5, 2020, the Company acquired 70% of High Standard Health Care Ltd. ("HSHC") in exchange for 1,350,000 of the Company's common shares with an estimated fair value of $6,885,000. HSHC specializes in procuring personal protective equipment ("PPE") including but not limited to respiratory masks, hand sanitizer, gowns, infrared thermometers, and face shields and has been active in procurement during COVID-19 for hospitals, municipalities, long-term care facilities, fire departments and police departments.

Under the agreement, the Company agreed to pay $5,000,000 cash or issue common shares ("Performance Shares") at the discretion of the Company at the time a Milestone Target is met for every $14,300,000 in gross revenue generated by HSHC effective upon HSHC reaching $21,430,000 in revenue ("Milestone Targets") up to a maximum of $286,000,000 in gross revenue or 20 Milestone Targets on or before May 31, 2025 for total value of up to $100,000,000 if all Milestone Targets are achieved. The Company may issue up to 1,325,000 Performance Shares in satisfaction of met Milestone Targets. The Company recognized a contingent consideration liability with an estimated fair value of $500,000. As at December 31, 2020, the contingent consideration liability was re-measured to $nil and a gain of $500,000 on re-measurement was recorded in the statement of net loss and comprehensive loss.

As at December 31, 2022, the fair value of the investment in HSHC is $nil (December 31, 2021 - $nil).

MK Highway Corp.

On December 2, 2022, the Company acquired all of the issued and outstanding securities in the capital of MK Highway Corp. ("MK Highway") in exchange for an aggregate of 10,800,000 common shares of the Company (the "Consideration Shares"), at a deemed price of $1 per consideration share and an aggregate of 5,400,000 common share purchase warrants (the "Consideration Warrants"). Each Consideration Warrant permits the holder thereof to acquire one common share of the Company at a price equal to $1 for a period of 24 months from the date of issuance. There is no hold period for the Consideration Shares or the Consideration Warrants pursuant to applicable securities laws.

MK Highway holds an option to acquire 100% membership interests of Lavrium LLC ("Lavrium"), a Delaware limited liability company, pursuant to the terms and conditions of an option agreement, as amended, (the "Amended Option Agreement") among MK Highway, Lavrium and the members of Lavrium (the "Lavrium Members"). The material terms for exercising the option are as follows: as consideration for exercising the option, MK Highway will

(i) pay additional cash consideration to Lavrium of US$1,146,015 in installments and certain reimbursement expenses on or before March 31, 2023, and
(ii) issue 550,000 common shares of Polaris Northstar at a deemed price of $1 per share to the Lavrium Members

The cash payment shall be paid by MK Highway Shareholders, and failure to do so, they are required to exercise the option prior to the expiry date and return certain of the Consideration Shares and unexercised Consideration Warrants to the Company for cancellation. The share payment will be issued upon exercise of the option and such a share will be subject to hold period of four months and a day from the date of issuance pursuant to applicable securities law.

MK Highway is a digital asset company and its business focuses on digital asset mining, with a complete infrastructure for, and demonstrated history of profitable Bitcoin mining strategies that rests on an architecture including cost-effective miner acquisition, competitive hosting and electricity rates, digital asset treasury management, and flat on and off ramps the combination of which makes MK Highway a complete framework for mining Bitcoin or any digital asset based on the SHA-256 algorithm.

Lavrium LLC is a Bitcoin-focused technology company that was founded in April 2021. Since then, Lavrium has built a digital asset mining operation, located primarily in Nebraska, USA. Lavrium focuses on efficient Bitcoin mining by combining modern ASIC hardware with highly competitive electricity rate agreement.

The Company valued common shares issued at $1,080,000 by reference to the market price on the issuance date and share purchase warrants at $216,000 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 176.6%; risk-free rate of 3.76%; and expected dividends of zero.

As of December 31, 2022, the fair value of MK Highway investment was revalued to $1 as management concluded the likelihood of successful exercise of the Lavrium option agreement was not attainable. The loss from revaluation of investment of $1,295,999 was recognized in the statement of loss and comprehensive loss.

The consideration common shares were returnable pursuant to the terms of the share purchase agreement. As of the approval date of these financial statements, all consideration common shares were returned except for 4,990,338 consideration common shares. They are expected be returned shortly after the Cease Trade Order (CTO) is lifted. (Also see Note 14 (vi)

Pembrook Copper Corp.

Pembrook Copper Corp. ("Pembrook") was incorporated under the laws of British Columbia on December 31, 2009. Pembrook is a mineral exploration company engaged in the identification, acquisition, evaluation and advancement of mineral properties in Peru. Pembrook is exploring for copper, gold, silver, nickel and other metals. Management has determined that the investment in Pembrook is not expected to be recoverable. As at December 31, 2022, the fair value of the investment in Pembrook is $1 (December 31, 2021 - $1).

Vancity Green List Inc.

On December 28, 2018, the Company acquired 100% of Vancity Green List Inc. ("Vancity") by way of a three-cornered amalgamation. Vancity's website application connected personal use cannabis growers and local dispensaries. In consideration, the Company issued 30,000 common shares with a fair value of $1,200,000 at the time. As at December 31, 2022, the fair value of the investment in Vancity is $nil (December 31, 2021 - $nil).

ViralClear Rapid Test Corp.

On April 17, 2020, the Company acquired 100% interest in ViralClear Rapid Test Corp. ("ViralClear") in exchange for 1,200,000 of the Company's common shares with an estimated fair value of $30,554,645. The Company paid finders' fees to an arm's-length party of 120,000 common shares with an estimated fair value of $3,055,465 which has been recorded as transaction costs in the statement of net loss and comprehensive loss. ViralClear does not have material operations other than holding 324,062 class A ordinary shares of Virax Biolabs Group Limited ("Virax Biolabs"), which represents substantially all the assets of ViralClear. Virax Biolabs is an innovative biotechnology company focusing on the prevention, detection, and diagnosis of viral diseases.

As at December 31, 2021, the fair value of the investment in ViralClear was estimated to be $1,088,740 by reference to the per share price of the private placement completed by Virax Biolabs around the valuation date.

In July 2022, Virax Biolabs completed its initial public offering, and Virax Biolabs' shares began trading on the Nasdaq Capital Market under the ticker symbol "VRAX".

As at December 31, 2022, the fair value of the investment in ViralClear is estimated to be $320,404 by reference to the share trading price of Virax Biolabs. (Note 14 (iv))

360 Life Sciences Corp.

On August 4, 2020, the Company sold of all the issued and outstanding shares of its wholly owned subsidiary ReFormation Pharmaceuticals Corp. ("ReFormation") to 360 Life Sciences Corp. ("360 Life") pursuant to the share purchase agreement between the Company and 360 Life signed on June 24, 2020. 360 Life acquired all the issued and outstanding shares of ReFormation in exchange for 800,000 common shares of 360 Life with an estimated fair value of $nil. As at December 31, 2022, the fair value of the investment in 360 Life is $nil (December 31, 2021 - $nil).

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	December 31, 2022 $	December 31, 2021 $
Accounts payable and accrued liabilities	434,588	268,916
Due to related parties (Note 10)	107,747	552,501
Total	542,335	821,417

8. SHARE CAPITAL

The number of shares and per share amounts for the current and comparative figures in these financial statements have been adjusted to reflect the changes from a 20 for 1 consolidation which took effect on March 29, 2023.

a) Authorized share capital

At December 31, 2022, the authorized share capital comprised of an unlimited number of common shares without par value.

b) Issued share capital

As at December 31, 2022, the Company had 32,437,310 (December 31, 2021 – 17,032,877) common shares issued and outstanding.

During the year ended December 31, 2022:

On December 2, 2022, the Company acquired all of the issued and outstanding securities in the capital of MK Highway Corp. in exchange for an aggregate of 10,800,000 common shares of the Company, the Consideration Shares, at a deemed price of $1 per consideration share. There is no hold period for the Consideration Shares pursuant to applicable securities laws.

On July 15, and August 16, 2022, and pursuant to the two conversion notices and the agreement, the Company has issued a total of 3,793,722 common shares, the Conversion Shares, to the convertible debt holder as fully paid and non-assessable Shares. The Conversion Shares are not subject to any hold periods under applicable securities laws.

On March 29, 2022, the Company entered into a debt settlement agreement with a company controlled by its former CEO, pursuant to which, the Company agreed to settle $150,000 debt by issuance of 150,000 common shares at a price of $0.90 per share resulting in a gain of $15,000 recognized in the statement of loss and comprehensive loss for the year ended December 31, 2022.

On March 29, 2022, the Company entered into a debt settlement agreement, pursuant to which the Company agreed to settle $373,717 debt owed by CCM by issuance of 343,717 common shares at a price of $0.90 per share resulting in a gain of $34,372 recognized in the statement of loss and comprehensive loss.

On February 25, 2022, the Company completed a convertible debenture financing by issuance of an unsecured zero-coupon convertible debenture with a principal amount of US$744,000 (equivalent to $929,702) for a purchase price of US$600,000 (equivalent to $749,760) and 316,994 shares in satisfaction of a fee payable to the Investor in the amount of $285,295 (US$248,000) (Note 9).

During the year ended December 31, 2021:

During January, February, and November 2021, the Company issued 616,250 common shares for total proceeds of $640,000 pursuant to warrants exercised. In addition, $870,539 previously recorded fair value amount relating to these warrants was reclassified from share-based payment reserve to share capital.

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

On July 7, 2021, the Company issued 27,077 common shares with a fair value of $35,200 for a service provided.

On June 8, 2021, the Company issued 403,889 common shares with a fair value of $727,000 to a creditor of CCM for the debt assumed by the Company pursuant to the terms of the agreement between CCM and the Company (Note 6).

On June 2, 2021, the Company issued 4,708,500 common shares with a fair value of $9,877,850 and 3,250,000 common share purchase warrants with a fair value of $6,640,254 to the shareholders of CCM (Note 6).

On March 4, 2021, the Company issued 500,000 common shares to Healthview with a fair value of $800,000 in connection with achieving its second and final of two earn-out milestones by generating revenue (Note 6).

On February 2, 2021, the Company issued 500,000 common shares to Healthview with a fair value of $900,000 in connection with achieving the first earn-out milestone whereby they onboarded their first customers across the retail, hospitality, medical, finance and transportation industries to offer Mental Health Services (Note 6).

On January 28, 2021, the Company issued 5,000,000 common shares with a fair value of $11,500,000 to ASIC shareholders (Note 6).

c) Stock options

The Board of Directors of the Company may from time-to-time grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Company's stock option plan requires that options vest 20% immediately, with 20% vesting every nine months thereafter; however, the Board may change such provisions at its discretion or as required on a grant-by-grant basis.

The stock options outstanding and exercisable as at December 31, 2022 is as follows:

Grant date	**Expiry date**	**Number of options outstanding and exercisable**	**Weighted average exercise price**
June 22, 2018	June 22, 2023	200	$ 110.00
February 4, 2021	February 4, 2026	50,000	2.30
		50,200	**$ 2.73**

The continuity for stock options granted to directors, officers, employees and consultants of the Company for the Years ended December 31, 2022 and 2021 is as follows:

	Number of options	**Weighted average exercise price**
Balance at December 31, 2020	305,301	$ 12.60
Options granted	582,500	4.80
Options forfeited/expired	(400,000)	$ 6.00
Balance at December 31, 2021	487,801	8.73
Options forfeited/expired	(437,601)	9.42
Balance at December 31, 2022	**50,200**	**$ 2.73**

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

On February 4, 2021, the Company granted 182,500 stock options with an exercise price of $2.30 per share expiring on February 4, 2026. The fair value of the stock options was estimated to be $417,247 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 267.40%; risk-free rate of 0.32%; and expected dividends of zero.

On June 23, 2021, the Company granted 200,000 incentive stock options to an officer of the Company. Whereas 75,000 options are exercisable at a price of $1.60 per share; 62,500 options are exercisable at a price of $6.00 per share; and 62,500 options are exercisable at a price of $15.00 per share. The options will vest 50% every six (6) months and have an expiry date of June 23, 2026. The fair value of the stock options was estimated to be $317,970 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 261%; risk-free rate of 0.86%; and expected dividends of zero.

On July 12, 2021, the Company granted 200,000 incentive stock options to an officer of the Company. Whereas 125,000 options are exercisable at a price of $1.20 per share; 37,500 options are exercisable at a price of $6.00 per share; and 37,500 options are exercisable at a price of $15.00 per share. The options will vest 50% every six (6) months and have an expiry date of July 12, 2026. The fair value of the stock options was estimated to be $238,262 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 254%; risk-free rate of 0.84%; and expected dividends of zero.

d) Finders' warrants

The continuity for finder's warrants for the years ended December 31, 2022 and 2021, is as follows:

	Number of warrants		Weighted average exercise price
Balance at December 31, 2020	97,213	$	2.00
Warrants granted	6,250		4.00
Warrants exercised	(12,500)		2.00
Balance at December 31, 2021	90,963		2.20
Warrants exercised	(90,963)		2.20
Balance at December 31, 2022	**-**	**$**	**-**

On February 21, 2021, the Company issued 6,250 finder's warrants with an exercise price of $4.00 per share expiring on April 9, 2022, in connection with a private placement completed on April 9, 2020. The 6,250 finder's warrants remained exercisable on December 31, 2021. The fair value of the finder's warrants was estimated to be $24,591 using the Black-Scholes pricing model with the following assumptions: term of 1.13 years; expected volatility of 303.48%; risk-free rate of 0.41%; and expected dividends of zero.

e) Warrants

The share purchase warrants outstanding and exercisable as at December 31, 2022 is as follows:

Issue date	Expiry date	Number of options outstanding and exercisable		Exercise price
June 2, 2021	March 1, 2023*	2,400,000	$	1.00
June 2, 2021	April 20, 2023*	750,000	$	1.00
December 2, 2022	December 2, 2024	5,400,000	$	1.00
		8,550,000	$	1.00

* These warrants expired subsequent to the year ended December 31, 2022

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

The continuity for warrants for the years ended December 31, 2022 and 2021, is as follows:

	Number of warrants	Weighted average exercise price
Balance at December 31, 2020	1,275,000	$ 3.20
Warrants issued	3,250,000	1.00
Warrants exercised	(603,750)	1.00
Warrants expired	(150,000)	7.60
Balance at December 31, 2021	3,771,250	1.49
Warrants issued	5,400,000	1.00
Warrants expired	(621,250)	4.00
Balance at December 31, 2022	**8,550,000**	**$ 1.00**

On December 2, 2022, the Company issued an aggregate of 5,400,000 common share purchase warrants, the Consideration Warrants in connection with the acquisition of MKHC. Each Consideration Warrant permits the holder thereof to acquire one common share of the Company at a price equal to $1.00 for a period of 24 months from the date of issuance; there is no hold period for the Consideration Warrants pursuant to applicable securities laws. The Consideration Warrants were valued at $216,000 using the Black-Scholes Pricing Option Model with the follow assumptions: expected life of 2 years; volatility of 176.55%; risk-free rate of 3.76%; and expected dividends of zero.

On June 2, 2021, the Company issued 3,250,000 warrants with an exercise price of $1.00. Whereas 2,500,000 warrants expire on March 1, 2023, and 750,000 warrants expire on April 20, 2023. The fair value of the warrants was determined to be $6,640,254 calculated using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected life of options of 1.78 years; expected volatility of 316.29%; expected dividend yield of 0%; and risk-free rate of 0.32%.

9. CONVERTIBLE DEBENTURE

On February 25, 2022, the Company and Mirabel Capital, Ltd, (the "Investor") agreed on an open convertible debenture financing and completed its first closing by issuance of an unsecured, zero-coupon, convertible debenture with a principal amount of US$744,000 (equivalent to approximately $929,702) for a purchase price of US$600,000 (equivalent to $749,760) and 316,994 shares of the Company in satisfaction of a fee payable of $285,294 to the investor. The second closing was set to be completed within 24 months of the first closing, and all subsequent closing from thereof. The convertible debenture matures on February 25, 2024.

The Investor has a voluntary option to convert the portion or the entirety of convertible debenture during the term of 24 months.

The Company may prepay, in cash, any or all of the Convertible Debenture at any time prior to the Maturity Date upon not less than thirty business days prior written notice for an amount equal to the principal amount of the Convertible Debenture that is outstanding.

In the event of default, the holder will be entitled to interest accrued at 18% per annum from the date of issuance. This interest will be payable in arrears from the earlier of two years from the issuance date or the date of any conversions.

On July 18, 2022, the Company received the first Conversion Notice to convert a total of US$140,000 pursuant to the terms and condition of Convertible Securities Agreement for a total of 1,851,220 of common shares.

On August 16, 2022, the Company received an additional Conversion Notice to convert a total of US$150,000 pursuant to the terms and condition of Convertible Securities Agreement for a total of 1,942,502 of common shares.

During the year ended December 31, 2022, and pursuant to the above two conversion notices and the agreement, the Company has converted total of US$290,000 and has issued a total of 3,793,722 common shares, the "Conversion Shares", to the convertible debt holder as fully paid and non-assessable Shares. The Conversion Shares are not subject to any hold periods under applicable securities laws.

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

On October 19, 2022, the Company and the Investor agreed to amend the Convertible Securities Purchase Agreement dated February 5, 2022 (the "Amended Convertible Securities Agreement). Pursuant to which, the Company has agreed to increase security to the Investors Convertible Security Amount of US$454,000, as at October 19, 2022. The increased security is in the form of VRAX shares; held by the Company's wholly owned subsidiary, ViralClear Rapid Test Corp. The Investor has agreed to suspend conversion notices and certain other investor rights provided under the February 25, 2022 agreement until January 21, 2023.

Management concluded that convertible debenture is a hybrid financial instrument with a liability host instrument and an embedded derivative; it was designated to be measured at FVTPL. The convertible debenture continuity for the year ended December 31, 2022 is as follows:

Balance at December 31, 2021	**$**	**-**
Proceeds		749,760
Conversion		(564,494)
Fair value adjustment on convertible debenture		345,971
Balance at December 31, 2022		**531,237**

As at December 31, 2022, the convertible debenture has a face of $614,898 (US$454,000). The Company valued the convertible debenture using the average of two valuation methods: (i) Black Scholes option pricing and (ii) Finnerty, both factoring the discount for lack of marketability ("DLOM") with the following significant assumptions:

Volatility	131 – 319%
Interest rate	0.52 – 4.31%

The significant estimation uncertainly exists as there are no comparable marketable instruments available. The change in volatility by +/- 5%, may lead to change in value of the convertible debenture by +/- $31,000.

The Company is exposed to currency risk relating to conversion of its convertible debenture denominated in foreign currency (Note 11).

10. RELATED PARTY TRANSACTIONS AND BALANCES

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. 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. Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below (also see Notes 4, 7 and 9):

	2022 **$**	**2021** $
Consulting fees paid to a company controlled by the former CEO	-	166,250
Consulting fees paid to a former CFO and companies controlled by the former CFO	-	199,674
Consulting fees paid to a company controlled by CEO	126,500	10,000
Consulting fees paid to a company controlled by former CFO	132,300	-
Consulting fees paid to a company controlled by a former director	56,350	-
Share-based compensation	-	478,480
Total	**$315,150**	**$ 854,404**

Management fees and share-based payments were incurred from a director and a company owned by a director of the Company. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The total remuneration to key management has been disclosed in the above table. Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits during the year ended December 31, 2022 and 2021.

As at December 31, 2022, the Company received a total of $435,101 of dividends (December 31, 2021 – $Nil) from its investment entities (presented in Note 4).

As at December 31, 2022, included in the accounts payable and accrued liabilities, there was $107,747 (December 31, 2021 - $316,056) due to current and former officers and management of the Company. As at December 31, 2022, an amount of $Nil (December 31, 2021 - $236,445) included in accounts payable was due to ASIC (Note 4).

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, investments, promissory note receivable, accounts payable and accrued liabilities, contingent consideration liability, and convertible debentures. The carrying value of accounts payable and accrued liabilities approximates their fair value due to the short-term nature.

As at December 31, 2023, cash and cash equivalents and investments in public companies are measured at fair value using Level 1 of the fair value hierarchy; investments in private companies of $320,407 (December 31, 2021- $2,337,488) are measured at fair value using level 2 and 3 of the fair value hierarchy; convertible debenture of $531,237 (December 31, 2021 - $Nil) are measured at fair value using level 2 of the fair value hierarchy.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table presents the Company's financial instruments, measured at fair value on a recurring basis on the statements of financial position and categorized into levels of the fair value hierarchy:

December 31, 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Cash and cash equivalents	111,568	-	-	111,568
Investments	490	320,407	-	320,897
Convertible debenture	-	531,237	-	531,237

December 31, 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Cash and cash equivalents	617,714	-	-	617,714
Investments	5,412	1,818,238	519,250	2,342,900

There were no transfers between levels during the years ended December 31, 2022 and 2021. The following table reconciles the Company's Level 3 fair value investments:

Level 3	Year ended December 31, 2022 $	Year ended December 31, 2021 $
Balance, beginning	519,250	-
Additions	-	11,500,000
Net change in fair value adjustment on investments	(519,250)	(10,980,750)
Balance, ending	-	519,250

Risk management

The Company is or may be subject to certain risks including interest rate risk, currency risk, credit risk and market risk. Risk management strategies may expose the Company to further gains or losses, but serve to stabilize future cash flows, reduce the volatility of operating results, and increase overall financial strength.

Currency risk

The Company has a promissory note receivable and convertible debenture denominated in US dollar and is therefore subject to currency risk. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

As at December 31, 2022, with other variables unchanged, a 10% strengthening (weakening) of the US dollar against the Canadian dollar would have increased (decreased) net loss by approximately $43,179.

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe money or securities in connection with services provided, or for other purposes, will default on their underlying obligations.

Prior to accepting any service engagement or providing any loan, the Company assesses future recoverability by examining the entities' financial conditions, properties and assets, business development activities and management. The Company manages its exposure to credit risk by reviewing the outstanding balances on an ongoing basis, monitoring the amount attributable to each counterparty and the length of time taken for amounts to be settled. Where necessary, management takes appropriate action to follow up on those balances considered overdue.

Liquidity risk

Liquidity risk is the risk that the Company will have insufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company does not have access to the capital markets, whether as a result of a downturn in general market conditions or related to matters specific to the Company, or if the value of the Company's investments decline, resulting in lower proceeds and/or losses on disposition. The Company generates cash flows primarily from the disposition of its investments and from its financing activities.

The Company's investments focus on early-stage companies which can at times be relatively illiquid and if the Company decides to dispose of certain securities, it may not be able to do so at favorable prices at that time, or at all. However, the Company has marketable securities which are freely tradable and relatively liquid and might be able to fund its obligations as they become due under normal operating conditions such that, in the absence of overall market disruptions or exceptional circumstances, liquidity risk might be minimized.

The Company expects accounts payable and accrued liabilities and contingent consideration liabilities to be settled within 12 months of December 31, 2022.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

A 10% change in the fair values of the Company's investments at December 31, 2022, would have a $32,090 (December 31, 2021 - $234,290) impact on operations.

Concentration risk

The Company is subject to concentration risk due to the nature of the Company's operations as an investment company and the number of investments held in the portfolio which consists primarily of early-stage companies and their related technologies. As a result, the investment portfolio is directly exposed to the risks associated with companies operating in these industry sectors.

As at December 31, 2022, approximately 99.9% (December 31, 2021 – 99.9%, three companies) of the fair value of the Company's investment portfolio consisted of investments in one company.

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12. MANAGEMENT OF CAPITAL

The Company considers its common shares and options to comprise its capital.

The Company's objectives when managing capital are:

(a) To ensure that the Company maintains the level of capital necessary to meet its operational requirements.
(b) To allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments.
(c) To create sustained growth in shareholder value by increasing shareholders' equity and minimizing shareholder dilution; and

(d) To maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to meet its objectives, in order of preference, by:

(a) Realizing proceeds from the disposition of investments and provision of corporate services; and
(b) Raising funds through equity financing.

The Company is not subject to any externally imposed capital requirements. Management monitors the Company's capital to ensure capital resources will be sufficient to discharge its liabilities on an ongoing basis.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		December 31, 2022	December 31, 2021
Loss for the year before income tax recovery	$	(5,335,038)	(28,110,178)
Average statutory rate		27%	27%
Recovery of income taxes based on statutory rates		(1,440,000)	(7,589,748)
Increase (decrease) in income tax recovery resulting from:			
Permanent differences		84,000	244,360
Changes in estimates of prior years		13,748,000	-
Change in non-recognized deferred tax assets		(12,392,000)	7,345,388
Income tax expense (recovery)	**$**	**-**	**-**

The significant components of the Company's temporary differences for deferred tax assets, which are not recognized, are comprised of the following:

		December 31, 2022	December 31, 2021
Non-capital loss carried forward		64,824,000	115,458,000
Capital loss carried forward		6,112,000	1,087,000
Investments		3,318,000	-
Finance cost		178,000	250,000
Others		637,00	-
	$	**75,069,000**	**116,795,000**

The Company's non-capital losses of $64,824,000 expire between 2028 and 2042.

14. SUBSEQUENT EVENTS

The following events has occurred subsequent to December 31, 2022:

(i) Effective January 16, 2023, there has been a fourth addendum to the option agreement between Lavrium and MK Highway in consideration of the mutual covenants and agreements including a total of US$290,000 wire transfers by shareholders MK Highway to Lavrium prior to expiry of the option agreement on May 31, 2023.

(ii) On January 25, 2023, the Company has entered to a share purchase agreement with Carbon Canada Corp, to buy all shares of the Bishop Hill Holdings Ltd. ("Bishop Hill"), the wholly owned Barbados subsidiary of Carbon Canada, by issuing 30,000,000 shares of the Company subject to the policies of the applicable Regulatory Authorities and Applicable Securities Laws.

On February 15, 2023, the Company completed the initial closing of this acquisition, and pursuant to the terms and conditions of this share purchase agreement and in connection with the First Closing, has issued 30,000,000 common shares of the Company (the "Consideration Shares") at a deemed price of $1.00 per Consideration Share for the acquisition of a 60.44% interest in Bishop Hill.

In connection with this Transaction and in consideration of the introduction to the Company, the Company has paid an arm's length finder by issuance of 2,250,000 common shares of the Company (the "Finder's Shares").

The Consideration Shares and the Finder's Shares are subject to a statutory hold period of four-months and one day in accordance with applicable securities legislation ending on June 16, 2023.

Bishop Hill holds a 15% undivided interest in Titan Electricity Ltd. ("Titan"). Titan holds global intellectual property rights to the "Geo-Engines ™" a net zero geothermal energy generation technology used for gas cleaning (Sour Gas), CO2 sequestration and domestic energy supplies. Oil and Gas companies using Titan's "Geo-Engines ™" can potentially cut onsite CO2 emissions to zero, help improve energy security and break the reliance on coal and oil.

The Company has the option, in its sole discretion (the "Option"), to acquire the remaining Bishop Hill Shares for cash consideration of $19,636,500. The Company may exercise the Option at any time on or before February 15, 2025. The Company currently intends to exercise the Option to acquire a 100% interest of Bishop Hill but is under no obligation to do so.

(iii) On March 2, 2023, the Company has signed an extension agreement to extend the mature date of the Luxwing Holdings Limited promissory note to February 29, 2024 for additional extension fees of $5,000. On the same day, the Company also received a total of $9,000 from Luxwing Holdings consisting of $5,000 of extension fees and $4,000 in repayment on principal of the promissory note (Note 5).

(iv) On March 29, 2023, 324,062 common shares Virax Biolabs held by Viralclear were transferred to Bergen Global Opportunity Fund, LP, power-of-attorney of Mirabel for settlement of convertible debenture in the amount of US$211,612 (Notes 6 and 9).

(v) On April 11, 2023, the Company has received an additional Conversion Notice from the Investor to convert a total of US$50,000 (equivalent to $67,760) pursuant to the terms and condition of the Amended Convertible Securities Agreement for 1,355,200 common shares of the Company.

(vi) On April 13, 2023, the Company issued a termination notice MK Highway pursuant to the terms of share purchase agreement dated December 2, 2022 and require MK Highway shareholders to return 10,800,000 common shares of the Company and 5,400,000 warrants to return to the Company. Also see Note 8