BEYOND MEDICAL TECHNOLOGIES INC.
(Formerly Micron Waste Technologies Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

BEYOND MEDICAL TECHNOLOGIES INC.
(Formerly Micron Waste Technologies Inc.)
Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	March 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		$ 2,221,026	$ 624,205
Accounts receivable	4	164,803	97,009
Prepaid expenses and deposits	5	372,128	104,379
Inventory	6	327,584	369,053
Total current assets		3,085,541	1,194,646
Non-current assets			
Restricted cash	7	28,750	28,750
Deposits	5	8,100	8,100
Property and equipment	8	419,712	443,648
Right-of-use assets	9	125,751	143,715
Development assets	10	25,000	25,000
Investment	11	300,000	-
Total non-current assets		907,313	649,213
TOTAL ASSETS		$ 3,992,854	$ 1,843,859
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	13	$ 204,875	$ 196,845
Lease liabilities	9	80,287	77,419
Total current liabilities		285,162	274,264
Non-current liabilities			
Lease liabilities	9	66,368	87,589
Total liabilities		351,530	361,853
Shareholders' equity			
Share capital	12	23,559,883	20,778,935
Reserves	12	3,229,810	3,043,965
Deficit		(23,148,369)	(22,340,894)
Total shareholders' equity		3,641,324	1,482,006
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 3,992,854	$ 1,843,859

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

Approved and authorized for issue by the Board of Directors on May 28, 2021.

"Hyder Khoja"
Hyder Khoja, Director

"Kal Malhi"
Kal Malhi, Director

BEYOND MEDICAL TECHNOLOGIES INC.
(Formerly Micron Waste Technologies Inc.)
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Three months ended March 31	Note		2021		2020
Revenues		$	262,964	$	-
Costs of Goods Sold			138,962		-
Gross Profit			124,002		-
General and Administrative Expenses					
Amortization	8,9	$	41,900	$	28,397
Business development			317,331		16,384
Consulting fees / salaries	13		119,750		235,064
Office and general			48,380		28,572
Professional fees			59,602		19,129
Research expenses			-		20,015
Selling expenses			102,240		-
Share-based compensation	12		212,390		7,070
Testing expenses			14,470		-
Transfer agent and filing fees			14,400		6,521
Loss from operations			930,463		361,152
Interest (income) loss			577		(6,341)
Foreign exchange (gain) loss			437		(582)
Realized loss on sale of marketable securities			-		17,870
Fair value loss on marketable securities			-		187,500
Loss and comprehensive loss for the period		$	807,475	$	559,599
Loss per share, basic and diluted		$	0.01	$	0.01
Weighted average number of common shares outstandin			65,082,563		39,511,841

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

BEYOND MEDICAL TECHNOLOGIES INC.
(Formerly Micron Waste Technologies Inc.)
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Option Reserve	Warrant Reserve	Deficit	**Total**
Balance – December 31, 2019	**39,511,841**	**$ 18,468,935**	**$ 1,750,425**	**$ 17,222**	**$ (16,699,505)**	**$ 3,537,077**
Share-based compensation	-	-	7,070	-	-	7,070
Expiration of stock options	-	-	(824,538)	-	824,538	-
Forfeiture of stock options	-	-	(48,108)	-	48,108	-
Loss and comprehensive loss for the period	-	-	-	-	(559,599)	(559,599)
Balance – March 31, 2020	**39,511,841**	**$ 18,468,935**	**$ 884,849**	**$ 17,222**	**$ (16,386,458)**	**$ 2,984,548**
Balance – December 31, 2020	**56,011,841**	**$ 20,778,935**	**$ 877,951**	**$ 2,166,014**	**$ (22,340,894)**	**$ 1,482,006**
Shares issued for cash	22,199,500	2,703,903	-	-	-	2,703,903
Issuance of Finder's warrants	-	(39,221)	-	39,221	-	-
Share-based compensation	-	-	212,390	-	-	212,390
Shares issued - warrants exercised	505,000	116,266	-	(65,766)	-	50,500
Loss and comprehensive loss for the period	-	-	-	-	(807,475)	(807,475)
Balance – March 31, 2021	**78,716,341**	**$ 23,559,883**	**$ 1,090,341**	**$ 2,139,469**	**$ (23,148,369)**	**$ 3,641,324**

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

BEYOND MEDICAL TECHNOLOGIES INC.
(Formerly Micron Waste Technologies Inc.)
Unaudited Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Three months ended March 31	2021	2020
Operating Activities		
Net loss for the period	$ (807,475)	$ (559,599)
Items not involving the use of cash		
Amortization	41,900	28,396
Share-based compensation	212,390	7,070
Realized loss on sale of marketable securities	-	17,870
Fair value loss on marketable securities	-	187,500
Unrealized foreign exchange (gain) loss	154	(653)
Changes in non-cash working capital		
Accounts receivable	(67,794)	35,842
Prepaid expenses	(267,749)	24,525
Inventory	41,469	-
Deposits	-	(600)
Accounts payable and accrued liabilities	8,030	(35,901)
Net cash used in operating activities	(839,075)	(295,550)
Investing Activities		
Proceeds from sale of marketable securities	-	257,130
Refunds from return of development assets	-	18,557
Funds used in investment	(300,000)	-
Net cash provided by (used in) investing activities	(300,000)	275,687
Financing Activities		
Net proceeds from issuance of shares	2,703,903	-
Proceeds from warrants exercised	50,500	-
Lease liabilities payments	(18,353)	(15,734)
Net cash provided by financing activities from continuing operations	2,736,050	(15,734)
Foreign exchange effect on cash	(154)	653
Increase (decrease) in cash and cash equivalents	1,596,821	(34,944)
Cash and cash equivalents, beginning of period	624,205	2,784,525
Cash and cash equivalents, end of period	**$ 2,221,026**	**$ 2,749,581**
Supplemental cash flow information		
Non-cash financing activities:		
Fair value of Finders Warrants (note 11)	$ 39,221	$ -
Reclassification from warrants reserve to share capital	$ 65,766	$ -
Reclassification from options reserve to deficit	$ -	$ 872,646
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Beyond Medical Technologies Inc. (formerly "Micron Waste Technologies Inc."), (the "Company", "Beyond" or "Micron"), was incorporated on November 29, 2006 pursuant to the *Business Corporations Act*, British Columbia. The registered office of the Company is located at Suite 1500 – 1055 West Georgia Street, Vancouver, B.C. V6E 4N7. Its head office is located at Suite 915, 700 West Pender Street, Vancouver, B.C. V6C 1G8.

The Company started, in 2020, the business of manufacturing of personal protective equipment ("PPE") mainly medical grade face masks through its newly acquired wholly-owned subsidiary, Micron Technologies Inc. (formerly Covid Technologies Inc.), ("Micron Technologies" or "Covid Technologies").

The Company will continue the research and development of its waste digester business in the food and pharmaceuticals industries alongside its PPE business.

The Company has an accumulated deficit of $23,148,369 (December 31, 2020 – $22,340,894). These condensed interim consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. However, there are material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations and the ability of the Company to raise additional capital. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. Management anticipates that the Company will continue to raise adequate funding through equity or debt financings. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

Impact of COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in government 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 physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness.

The Company's wholly-owned subsidiary, Micron Technologies, has been manufacturing and selling three-ply medical grade face masks since August 2020. Micron Technologies' N95 Model 8800 face masks have been approved by Health Canada and the US Food and Drug Administration and have passed testing with Kinetrics Analytical and Environmental Laboratories. Micron Technologies has submitted its N95 Model 8800 face masks to the National Institute for Occupational Safety and Health ("NIOSH") for certification. Once certification is obtained, it plans to maximize production efforts of N95 masks.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consisting with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). They have been prepared on a historical cost basis, except for certain financial instruments, which are stated at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

These condensed interim consolidated financial statements have been prepared in accordance with the same accounting policies and methods of application as the most recent audited financial statements for the year ended December 31, 2020, except that they do not include all the disclosures required for the annual audited financial statements. These financial statements should be read in conjunction with the audited consolidated financial statements for the Company for year ended December 31, 2020.

Approval of the consolidated financial statements

The condensed interim consolidated financial statements of the Company for the period ended March 31, 2021 were approved and authorized for issuance by the Board of Directors on May 28, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiaries, Micron Technologies Holding Inc. (since October 19, 2017) and Micron Technologies Inc. (since July 8, 2020), which are entities over which the Company has control. Control exists when the Company has the power and ability, directly or indirectly, to direct the relevant activities of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date that control commences until the date the control ceases. The accounting policies of the Company's subsidiaries have been aligned with the policies adopted by the Company. Ehen the Company ceases to control a subsidiary, the financial statements of the subsidiary are de-consolidated.

All intercompany transactions and balances have been eliminated on consolidation.

Foreign currencies

The reporting and functional currency of the Company and its subsidiaries is the Canadian dollar ("CAD"). Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction, except amortization, which is translated at the rates of exchange applicable to the related assets. Monetary assets and liabilities that are denominated in foreign currencies are translated at the exchange rate prevailing at each reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the initial transaction. Non-monetary items that are measured at fair values are reported at the exchange rate on the date when fair values are determined.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of condensed interim consolidated financial statements requires management to make estimates, judgments and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period.

(Expressed in Canadian Dollars, unless stated otherwise)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Judgments, Estimates and Assumptions (continued)

Actual outcomes could differ from these estimates, and as such, the estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements for the Company for years ended December 31, 2020 and 2019.

4. ACCOUNTS RECEIVABLE

	March 31, 2021	December 31, 2020
Accounts receivable	$ 80,280	$ 38,584
Accrued interest receivable	-	4,653
GST receivable	84,523	53,772
	$ 164,803	**$ 97,009**

5. PREPAID EXPENSES

	March 31, 2021	December 31, 2020
Business development	$ 226,255	$ 30,598
Deposits on inventories	83,467	38,236
Deposits on machinery and equipment	35,332	-
Office and general	20,135	28,606
Professional fees – Legal retainer	6,939	6,939
Total Prepaid Expenses	**$ 372,128**	**$ 104,379**
Total Deposits – Long-term	**$ 8,100**	**$ 8,100**

6. INVENTORY

	March 31, 2021	December 31, 2020
Finished goods	$ 89,690	$ 120,600
Raw materials	237,894	248,453
	$ 327,584	**$ 369,053**

7. RESTRICTED CASH EQUIVALENTS

As at March 31, 2021, the Company classified $28,750 as restricted cash equivalents. This amount is held as collateral for the Company's corporate credit cards and is invested in GICs at a rate of prime less 2.20%.

(Expressed in Canadian Dollars, unless stated otherwise)

8. PROPERTY AND EQUIPMENT

	Leasehold improvements	Manufacturing equipment	Furniture / Equipment	Computer equipment	Total
Cost					
Balance at December 31, 2019	$ 180,176	$ -	$ 23,535	$ 4,718	$ 208,429
Additions	-	379,143	-	-	379,143
Disposals	-	-	(23,535)	-	(23,535)
Balance at December 31, 2020 and March 31, 2021	$ 180,176	$ 379,143	$ -	$ 4,718	$ 564,037
Accumulated Amortization					
Balance at December 31, 2019	$ 51,017	$ -	$ 6,590	$ 2,753	$ 60,360
Amortization expense	36,903	29,127	3,883	589	70,502
Disposals	-	-	(10,473)	-	(10,473)
Balance at December 31, 2020	$ 87,920	$ 29,127	$ -	$ 3,342	$ 120,389
Amortization	9,226	14,563	-	147	23,936
Balance at March 31, 2021	$ 97,146	$ 43,690	$ -	$ 3,489	$ 144,325
Carrying Amounts					
December 31, 2020	$ 92,256	$ 350,016	$ -	$ 1,376	$ 443,648
March 31, 2021	$ 83,030	$ 335,453	$ -	$ 1,229	$ 419,712

(Expressed in Canadian Dollars, unless stated otherwise)

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company has a lease agreement for its Innovation Center in Delta, British Columbia. The Company adopted IFRS 16 – Leases effective January 1, 2019.

The continuity of the right-of-use asset ("ROU asset") and lease liability for the period ended March 31, 2021 is as follows:

Right-of-use asset		
Value of right-of-use asset as at December 31, 2019	$	215,573
Amortization		(71,858)
Value of right-of-use asset as at December 31, 2020		143,715
Amortization		(17,964)
Value of right-of-use asset at March 31, 2021	**$**	**125,751**
Lease liability		
Lease liability recognized as of December 31, 2019	$	230,964
Lease payments		(90,943)
Lease interest		24,987
Lease liability recognized as of December 31, 2020		165,008
Lease payments		(23,284)
Lease interest		4,931
Lease liability recognized as at March 31, 2021	**$**	**146,655**
Current portion	$	80,287
Long-term portion		66,368
	$	**146,655**

10. DEVELOPMENT ASSETS

Development assets comprise of prototype equipment, which the Company has constructed or was in the process of construction, that was intended to transform organic waste into clean water and meets municipal effluent discharge standards.

Cost		
Balance at December 31, 2019	$	45,557
Disposals		(20,557)
Balance at December 31, 2020 and March 31, 2021	$	25,000
Accumulated Amortization		
Balance at December 31, 2018 – March 31, 2021[(1)]		-
Carrying Amounts		
December 31, 2020	$	25,000
March 31, 2021	$	25,000

(1) No amortization has been recognized to date as the development assets were not available for use.

11. DEVELOPMENT ASSETS

On January 14, 2021, the Company entered into a letter of intent (the "Letter of Intent") with Kayan Health Limited ("Kayan Health") which sets out the basic terms and conditions for the acquisition by the Company of all the issued and outstanding securities of Kayan Health in exchange for securities of the Company (the "Transaction"). Kayan Health has a proprietary AI-powered health communications platform which helps doctors streamline communications with their patients and remotely monitor them. Following completion of the Transaction, Kayan Health will become a wholly-owned subsidiary of the Company.

Pursuant to the terms of the Letter of Intent, the Company will acquire 100% of the issued and outstanding common shares of Kayan Health in exchange for common shares ("Beyond Common Shares**")** of the Company. The Company will issue to the Kayan Health shareholders the aggregate sum of up to $6,000,000 payable in Beyond Common Shares as follows:

- $4,000,000 upon closing, payable in Beyond Common Shares at a price per Beyond Common Share equal to the volume weighted average trading price of the Beyond Common Shares for the seven (7) trading days ending on the day prior to the parties entering into the Definitive Agreement (as defined herein); and

- $2,000,000 upon Kayan Health achieving a mutually agreed upon milestone (the "Performance Milestone") payable in Beyond Common Shares at a price per Beyond Common Share equal to the volume weighted average trading price of the Beyond Common Shares for the seven (7) trading days ending on the day prior to Kayan Health achieving the Performance Milestone.

The Company will provide Kayan Health with working capital of $100,000 per month (to a maximum of $400,000) until the parties have executed a Definitive Agreement (as defined herein). However, there can be no guarantees that the Transaction will be completed as contemplated or at all.

As at April 1, 2021, the Company has provided Kayan Health with a total working capital of $400,000; $100,000 for each month from January 1, 2021 to April 1, 2021.

12. SHARE CAPITAL AND RESERVES

Share Capital

(a) Authorized: Unlimited number of common shares without par value.

(b) Issued and Outstanding:

As at March 31, 2021, there were 78,716,341 (December 31, 2020 – 56,011,841) common shares issued and outstanding. Details of common shares are as follows:

During the period ended March 31, 2021:

- On February 5, 2021, the Company closed the first tranche of a private placement for 10,580,000 units at a price of $0.125 per unit for gross proceeds of $1,322,500. Each unit consisted of one common share and one share purchase warrant, exercisable at $0.20 per share for a period of 24 months from the date of closing until February 5, 2023. These warrants were allocated a fair value of $nil using the residual value method.

  The Company paid a total of $875 in cash finders fees ("Finders' Fees") and issued 7,000 finders' warrants ("Finders' Warrants) with a fair value of $703 to an eligible finder. The fair value of these Finders Warrants was estimated using the Black-Scholes option pricing model.

(Expressed in Canadian Dollars, unless stated otherwise)

12. SHARE CAPITAL AND RESERVES (Continued)

(b) Issued and Outstanding: (continued)

During the period ended March 31, 2021: (continues)

On March 11, 2021, the Company closed the second and final tranche for 11,619,500 units at a price of $0.125 per unit for gross proceeds of $1,452,437. Each unit consisted of one common share and one share purchase warrant, exercisable at $0.20 per share for a period of 24 months from the date of closing until March 11, 2923. These warrants were allocated a fair value of $nil using the residual value method.

The Company paid aggregate cash Finders' Fees totalling $41,746 and issued 333,970 Finders' Warrants with a fair value of $38,518 to certain eligible finders. The fair value of these Finders Warrants was estimated using the Black-Scholes option pricing model.

The fair values of the Finders Warrants were estimated using the Black-Scholes option pricing model with the following assumptions:

	Tranche 1	Tranche 2
Expected life in years	2	2
Volatility	158.12%	162.35%
Risk free rate	0.20%	0.25%
Dividend yield	0.00%	0.00%

Additional share issuance costs of $28,413 were incurred. Collectively, the Company issued for the private placement a total of 22,199,500 units for net proceeds of $2,703,903.

- During the period, the Company issued 505,000 shares for the exercise of warrants. The fair value allocated to these warrants when issued of $65,766 was reclassified from reserves to share capital.

During the period ended March 31, 2020:

- No new common shares were issued.

Share Purchase Warrants

The changes in warrants outstanding are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2019	15,942,336	$ 0.74
Issued	16,500,000	0.10
Expired	(3,358,236)	1.00
Balance, December 31, 2020	29,084,100	$ 0.36
Issued	22,540,470	0.20
Exercised	(505,000)	0.10
Balance, March 31, 2021	51,119,570	$ 0.29

(Expressed in Canadian Dollars, unless stated otherwise)

12. SHARE CAPITAL AND RESERVES (Continued)

Share Purchase Warrants (Continued)

As at March 31, 2021, the Company had the following warrants outstanding:

Date of Expiry	Number of Warrants Outstanding	Exercise Price	Weighted Average Remaining Life in Years
April 13, 2022	5,575,000	0.50	1.04
May 1, 2022	2,000,000	0.50	1.08
June 1, 2022(1)	5,009,100	1.00	1.17
February 5, 2023	10,587,000	0.20	1.85
March 11, 2023	11,953,470	0.20	1.95
April 28, 2025	15,995,000	0.10	4.08
Balance at March 31, 2021	51,119,570	$ 0.29	2.38

(1) On May 17, 2019, the expiry date of an aggregate of 5,009,100 common shares purchase warrants issued pursuant to a non-brokered private placement in June 2017 were amended from June 1, 2019 to June 1, 2022 with all other terms remaining the same.

Stock Options

The changes in stock options outstanding are as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance at December 31, 2019	2,745,000	$ 0.69
Expired	(1,282,500)	0.65
Forfeited	(100,000)	0.72
Balance at December 31, 2020	1,362,500	$ 0.73
Granted	1,500,000	0.125
Balance at March 31, 2021	2,862,500	$ 0.41

As at March 31, 2021, the Company had the following stock options outstanding and exercisable:

Date of Grant	Date of Expiry	Outstanding and Exercisable	Exercise Price	Weighted Average Remaining Life in Years
October 25, 2017	October 25, 2022	787,500	$ 0.60	1.57
July 6, 2018	July 6, 2023	287,500	1.10	2.27
April 8, 2019	April 8, 2024	287,500	0.72	3.02
January 12, 2021	January 12, 2023	1,500,000	0.125	1.79
Balance at March 31, 2021		2,862,500	$ 0.41	1.90

(Expressed in Canadian Dollars, unless stated otherwise)

12. SHARE CAPITAL AND RESERVES (Continued)

Share-based payments

On January 12, 2021, the Company granted a total of 1,500,000 incentive stock options (March 31, 2020 – nil) to directors, officers, employees and consultants of the Company with an exercise price of $0.125 per share. All the options vested immediately. The options expire on January 12, 2023. The total fair value of these stock options was $212,390 (March 31, 2020 - $7,070) which was recognized as share-based payment for the three-month period ended March 31, 2021.

13. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include senior officers and directors of the Company.

Compensation to key management personnel is as follows:

Three months ended March 31		2021		2020
Consulting fees – key management personnel(1)	$	115,572	$	117,000
Share-based compensation (note 11)		99,114		-
	$	214,686	$	117,000

Related party transactions not included in compensation to key management personnel are as follows:

Three months ended March 31		2021		2020
Rent(2)	$	9,000	$	9,000

Accounts payables and accrued liabilities of the Company include the following amounts due to related parties:

		March 31, 2021		December 31, 2020
Key management personnel	$	10,000	$	10,000

(1) Fees paid to management personnel or companies related to management personnel for the three months ended March 31, 2021:
- $60,000 (2020 - $60,000): to a company owned by the Chairman and Director;
- $nil (2020 - $30,000) to a company owned by former Chief Technology Officer who resigned effective February 11, 2021;
- $18,000 (2020 - $18,000) to a company owned by CFO;
- $4,500 (2020 - $4,500) to a Director;
- $4,500 (2020 - $4,500) to a Director;
- $28,572 (2020 - $nil) to a company owned by a Director.

(2) Fees for the three months ended March 31, 2021 were $9,000 (2019 - $9,000) for office rent paid to a company that the Chairman and director of the Company and the CFO are principals.

(Expressed in Canadian Dollars, unless stated otherwise)

14. SEGMENTED INFORMATION

The Company operates in two business segments with operations and long-term assets in Canada. The two business segments include the manufacture of PPE and the development and commercialization of on-site treatment systems that can turn organic waste into clean water that meets municipal effluent discharge standards. All of the Company's assets and expenditures are located and incurred in Canada. The Company's long-term assets are as follows:

	March 31, 2021	December 31, 2020
Restricted cash equivalents	$ 28,750	$ 28,750
Deposits – Long-term	8,100	8,100
Property and equipment	419,712	443,648
Right-of-use assets	125,751	143,715
Development assets	25,000	25,000
	$ 607,313	$ 649,213

At March 31, 2021, long-term assets of $364,203 relates to the PPE operating segment (December 31, 2020 - $378,766) and $243,110 (December 31, 2020 - $270,447) relates to the waste treatment operating segment. During the period ended March 31, 2021, there was no revenue related to the waste treatment operating segment.

15. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest risk, liquidity risk, and foreign exchange rate risk.

Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable. The Company's accounts receivable is comprised of trade receivables, GST receivable, other receivables and accrued interest receivable from guaranteed investment certificates ("GICs") held with the bank. GST receivable is not a financial instrument as it does not arise from contractual obligations. The Company limits exposure to credit risk on GICs by holding deposits in high credit quality banking institutions in Canada. The Company is not exposed to significant credit risk on its other receivables. The Company does not have any asset-backed commercial paper included in cash.

The Company's trade receivables are subject to the expected credit loss model. While cash and cash equivalents and trade and accounts receivable are also subject to the impairment requirements of IFRS 9 *Financial Instruments*, the identified impairment loss was minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. All of the Company's financial obligations are due within one year.

(Expressed in Canadian Dollars, unless stated otherwise)

15. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

As at March 31, 2021	Carrying amount $	Contractual cash flows $	1 year or less $	1 -5 years $
Accounts payable and accrued liabilities	204,875	204,875	204,875	–
Lease liabilities	146,655	164,531	94,017	70,513
	351,530	369,406	298,892	70,513

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks.

(a) 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 risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of its short-term investment nature. The Company's financial asset exposed to interest rate risk consists of cash and cash equivalents.

(b) Foreign Exchange Rate Risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the CAD (primarily US$). The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar and the US dollar. The exposure to foreign exchange rate risk is considered low. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

As at March 31, 2021, a 10% strengthening (weakening) of the Canadian dollar against the US dollar would have increased (decreased) the Company's net loss before taxes by approximately $1,763 (March 31, 2020 - $812).

(c) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

Management of Capital

Capital comprises the Company's shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

With its PPE manufacturing business in operation, the Company started generating some operating income. To maintain its ability to continue as a going concern and to further develop its business, the Company is dependent on external financing to fund its future intended business plan. The Company manages the capital structure and makes adjustments

(Expressed in Canadian Dollars, unless stated otherwise)

15. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Management of Capital (Continued)

to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended March 31, 2021. The Company is not subject to externally imposed capital requirements**.**

16. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

The Company classified its financial instruments at Level 1 and as follows:

	Financial Assets	**Loans and Receivables**	**Other Financial Liabilities**
	Fair Value Through Profit or Loss	Measured at Amortized Cost	Measured at Amortized Cost
March 31, 2021			
Cash and cash equivalents	$ 2,221,026	$ -	$ -
Accounts receivable	-	80,279	-
Accounts payable and accrued liabilities	-	-	(204,875)
Lease liabilities	-	-	(146,655)
	$ 2,221,026	$ 80,279	$ (351,530)

	Financial Assets	**Loans and Receivables**	**Other Financial Liabilities**
	Fair Value Through Profit or Loss	Measured at Amortized Cost	Measured at Amortized Cost
December 31, 2020			
Cash and cash equivalents	$ 624,205	$ -	$ -
Accounts receivable	-	43,237	-
Accounts payable and accrued liabilities	-	-	(196,845)
Lease liabilities	-	-	(165,008)
	$ 624,205	$ 43,237	$ (361,853)

Fair Value
The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value due to the short-term nature of these instruments.

17. SUBSEQUENT EVENTS

Since December 31, 2019, the outbreak of the novel strain of coronavirus, 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 physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness.

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.