



BEYOND MEDICAL
TECHNOLOGIES

BEYOND MEDICAL TECHNOLOGIES INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(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 condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

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

BEYOND MEDICAL TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	March 31, 2023 (Unaudited) \$	December 31, 2022 (Audited) \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	302,847	536,753
Amounts receivable	5	6,543	5,841
Prepaid expenses and deposits	6	10,178	905
Current assets of discontinued operations	10	44,195	35,821
Total current assets		363,763	579,320
Non-current assets			
Non-current assets of discontinued operations	10	29,054	28,863
Total non-current assets		29,054	28,863
Total assets		392,817	608,183
LIABILITIES			
Current Liabilities			
Accounts payables and accrued liabilities	7	127,804	132,300
Due to related parties	9	51,100	126,075
Liabilities of discontinued operations	10	87,491	88,560
Total liabilities		266,395	346,935
SHAREHOLDERS' EQUITY			
Share capital	8	23,577,053	23,577,053
Reserves	8	2,186,443	2,305,803
Deficit		(25,637,074)	(25,621,608)
Total shareholders' equity		126,422	261,248
Total liabilities and shareholders' equity		392,817	608,183

Corporate Information and Going Concern (Note 1)
Commitments and contingencies (Note 13)

Approved and authorized for issue by the Board of Directors on May 24, 2023

"Hyder Khoja"
Hyder Khoja, Director

"Kal Malhi"
Kal Malhi, Director

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

BEYOND MEDICAL TECHNOLOGIES INC.**Interim Condensed Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

		For the three months ended March 31	
	Note	2023	2022
		\$	\$
Operating expenses:			
Business development		10,500	81,483
Consulting fees	9	10,500	6,500
General office and administrative		548	1,093
Management fees	9	75,000	70,200
Professional fees	9	21,621	17,742
Share-based payments	9	-	122,553
Transfer agent and filing fees		9,738	19,806
Total operating expenses		127,907	319,377
Loss before other expenses		(127,907)	(319,377)
Other income (expenses):			
Unrealized gain (loss) on foreign exchange		(2,291)	(702)
Loss from continuing operations		(130,198)	(320,079)
Loss from discontinued operations	10	(4,628)	(140,816)
Net loss and comprehensive loss for the period		(134,826)	(460,895)
Loss per share, basic and diluted			
From continuing operations		(0.02)	(0.04)
From discontinued operations		(0.00)	(0.02)
Weighted average number of shares outstanding		7,913,975	7,913,975

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

BEYOND MEDICAL TECHNOLOGIES INC.**Interim Condensed Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Share Capital (Note 8)		Reserves (Note 8)			Total \$
	Number of Shares	Share Capital \$	Share-based payment reserve \$	Warrant reserve 4	Deficit \$	
Balance, December 31, 2021	7,913,975	23,577,053	1,078,299	2,137,841	(25,253,652)	1,539,541
Share-based payment	-	-	122,553	-	-	122,553
Net loss for the period	-	-	-	-	(460,895)	(460,895)
Balance, March 31, 2022	7,913,975	23,577,053	1,200,852	2,137,841	(25,714,547)	1,201,199
Balance, December 31, 2022	7,913,975	23,577,053	185,184	2,120,619	(25,621,608)	261,248
Fair value of warrants expired	-	-	-	(39,221)	39,221	-
Fair value of stock options expired	-	-	(80,139)	-	80,139	-
Net loss for the period	-	-	-	-	(134,826)	(134,826)
Balance, March 31, 2023	7,913,975	23,577,053	105,045	2,081,398	(25,637,074)	126,422

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

BEYOND MEDICAL TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended March 31	
	2023	2022
	\$	\$
Operating Activities		
Net loss for the period	(134,826)	(460,895)
Adjustments for non-cash/non-operating items:		
Share-based payments	-	122,553
Changes in non-cash working capital:		
Amounts receivable	(702)	2,168
Prepaid expenses and deposits	(9,273)	(2,041)
Accounts payable and accrued liabilities	(4,496)	546
Due to related parties	(74,975)	(78,807)
Net cash used in operating activities- continuing operations	(224,272)	(416,476)
Net cash (used in) provided by operating activities- discontinued operations	(9,634)	46,753
Financing activities		
Net cash used in financing activities- discontinued operations	-	(21,082)
Change in cash and cash equivalents	(233,906)	(390,805)
Cash and cash equivalents, beginning of the period	536,753	1,430,761
Cash and cash equivalents, end of the period	302,847	1,039,956

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

BEYOND MEDICAL TECHNOLOGIES INC.

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the periods ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Beyond Medical Technologies Inc., (the “Company” or “Beyond”), was incorporated on November 29, 2006 pursuant to the *Business Corporations Act*, British Columbia. The registered office and the head office of the Company is located at Suite 1500 – 1055 West Georgia Street, Vancouver, B.C. V6E 4N7. On January 12, 2021, the Company’s common shares began trading on the Canadian Stock Exchange (“CSE”) under the trading symbol “DOCT”.

The Company started in the business of manufacturing personal protective equipment (“PPE”) mainly medical grade face masks through its wholly owned subsidiary, Micron Technologies Inc., (“MTI”). However, the Company decided to cease their medical face mask manufacturing business as many jurisdictions have lifted mask mandates and the demand for face masks rapidly declined. Further, the Company ended their operations of MTI’s facility and is currently working on divesting their mask manufacturing business via a sale of all inventory and equipment related to its mask manufacturing business. The Company continues to seek new business opportunities.

The Company has an accumulated deficit of \$25,637,074 as of March 31, 2023 (December 31, 2022 – \$25,621,608). These interim condensed consolidated financial statements (the “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 the 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. The financial statements do not include any adjustments to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

Basis of consolidation and preparation

These financial statements include the accounts of the Company and its wholly owned Canadian subsidiaries, Micron Technologies Holding Inc. (October 19, 2017) and Micron Technologies Inc. (July 8, 2020), which are entities over the Company has control.

Details of the controlled entity are as follows:

	Place of incorporation	Percentage owned
Micron Technologies Holding Inc.	British Columbia	100%
Micron Technologies Inc.	British Columbia	100%

Control exists when the Company has the power and ability, directly or indirectly, to direct the relevant activities of an entity 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. When 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.

BEYOND MEDICAL TECHNOLOGIES INC.

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the periods ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

Statement of compliance

These 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 financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

These 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, 2022, 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 financial statements for the Company for year ended December 31, 2022.

Basis of measurement

These financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments measured at fair value through profit or loss. Additionally, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Unless otherwise noted, these financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its Subsidiaries.

Approval of the financial statements

The financial statements of the Company for the period ended March 31, 2023 were approved and authorized for issuance by the Board of Directors on May 24, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting estimates and assumptions

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

In the future, actual experience may differ from these estimates and assumptions. The loss effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

BEYOND MEDICAL TECHNOLOGIES INC.**Notes to the Interim Condensed Consolidated Financial Statements**

As at and for the periods ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Significant accounting estimates and assumptions (continued)****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.

Cash and Cash Equivalents

Cash includes deposits held with banks that are available on demand. Cash equivalents consisted of cashable guaranteed investment certificates that were readily convertible into a known amount of cash within 90 days or less.

Financial Instruments

The Company’s financial instruments are accounted for as follows under IFRS 9:

Financial Asset

Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Restricted cash	FVTPL

Financial Liability

Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Assessment and decision on the business model approach used is an accounting judgment.

BEYOND MEDICAL TECHNOLOGIES INC.

Notes to the Interim Condensed Consolidated Financial Statements

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(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and assumptions (continued)

Financial Assets (continued)

Financial assets measured at amortized costs

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at FVTOCI, with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this new FVTOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at FVTPL is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

Impairment

In relation to the impairment of financial assets, the Company uses an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses ("ECL") and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and assumptions (continued)

Fair Value Hierarchy

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

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

The carrying amount of cash and cash equivalents, accounts receivable, accounts payables and accrued liabilities, and due to related parties approximate their fair values due to their short-term nature.

Share Capital

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Share-based Payment

The Company grants share options to acquire shares of the Company to directors, officers, employees and consultants. The fair value of options granted is recognized as share-based payments with a corresponding increase in option reserves. 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.

The fair value of share-based payments to employees is measured at grant date and each tranche is recognized on a graded-vesting basis over the period 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 actual number of share options that are expected to vest.

Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

Consideration received on the exercise of stock options is recorded as share capital and the related share-based expense reserve is transferred to share capital. For those options that expire or are cancelled, the recorded fair value in share-based expense reserve is transferred to deficit.

BEYOND MEDICAL TECHNOLOGIES INC.
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(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Warrants Issued in Equity Financing Transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction.

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the share issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

From time to time in connection with private placements, the Company issues compensatory warrants to agents (“Agent Warrants”) as commission for services. Awards of Agent Warrants are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when Agent Warrants are issued. The fair value of Agent Warrants is measured using the Black-Scholes option pricing model that requires the use of certain assumptions regarding the risk-free market interest rate, expected volatility in the price of the underlying stock, and expected life of the Agent Warrants.

Consideration received upon exercise of warrants is credited to share capital and the related residual value is transferred from warrant reserve to share capital. If warrants expire unexercised, the related fair value is transferred to deficit.

Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net earnings (loss) attributable to common shareholders by the weighted average number of outstanding common shares for the period. Diluted earnings (loss) per share is calculated using the treasury stock method. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. Under the treasury stock method, the number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during years presented.

Current and Deferred Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except for items recognized directly in equity or in other comprehensive income.

a) Current Tax

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

BEYOND MEDICAL TECHNOLOGIES INC.
Notes to the Interim Condensed Consolidated Financial Statements
As at and for the periods ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and Deferred Income Taxes (continued)

b) Deferred Tax

Deferred income tax is provided for based on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward or unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of Non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

BEYOND MEDICAL TECHNOLOGIES INC.
Notes to the Interim Condensed Consolidated Financial Statements
As at and for the periods ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Non-financial Assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount. However, the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial assets are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The criteria that the Company uses to determine if there is objective evidence of an impairment loss includes:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

At each statement of financial position date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in accordance with IFRS 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 financial statements and reported amounts of revenues and expenses during the reporting period.

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.

Following are the accounting policies subject to such judgments and the key sources of estimation uncertainty that the Company believes could have the most significant impact on the reported results and financial position.

a) Deferred income taxes

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Judgments, Estimates and Assumptions (continued)

b) Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

c) Share-based payment

The fair value of stock options granted, and compensatory warrants is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility, expected life of the options, expected dividends and the risk-free rate. The Company estimates volatility based on historical share price, excluding specific time frames in which volatility was affected by specific transactions that are not considered to be indicative of the entities' expected share price volatility. The expected life of the options is based on historical experience and general option holder behavior. Dividends were not taken into consideration as the Company does not expect to pay dividends. Management also makes an estimate of the number of options that will forfeit, and the rate is adjusted to reflect the actual number of options that actually vest.

4. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents is composed of the following:

	March 31, 2023	December 31, 2022
	\$	\$
Cash in banks	302,847	536,753

5. AMOUNTS RECEIVABLE

The Company's amounts receivable is composed of the following:

	March 31, 2023	December 31, 2022
	\$	\$
GST receivable	6,543	5,841

During the period ended March 31, 2023, \$Nil was recovered from previously written off receivables (December 31, 2022 - \$6,215) and \$Nil receivables were written off (December 31, 2022 - \$6,120).

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6. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses and deposits are composed of the following:

	March 31, 2023	December 31, 2022
	\$	\$
Business development	178	905
Management and professional fees	10,000	-
	10,178	905

Business development

Business development pertains to prepaid amounts for an annual subscription.

Management and professional fees

Management and professional fees pertains to advance payments to a company controlled by the CFO (Note 9).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are composed of the following:

	March 31, 2023	December 31, 2022
	\$	\$
Accounts payable	101,077	86,805
Accrued liabilities	26,727	45,495
	127,804	132,300

8. SHARE CAPITAL AND RESERVES

Authorized share Capital

Unlimited number of common shares without par value.

Issued and Outstanding

As at March 31, 2023, there were 7,913,975 (December 31, 2022 – 7,913,975) common shares issued and outstanding.

Details of transactions involving common shares are as follows:

Transactions during the year ended December 31, 2022

Effective December 30, 2022, the Company consolidated its common shares on a ten (10) to one (1) basis.

No capital activity was initiated during the period ended March 31, 2023 and the year ended December 31, 2022.

Share Warrants

Transactions during the period ended March 31, 2023

During the period ended March 31, 2023, 2,254,047 of the outstanding share warrants expired unexercised. The corresponding amount of \$39,221 was transferred from reserve to deficit.

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8. SHARE CAPITAL AND RESERVES (continued)

Share Warrants (continued)

Transactions during the year ended December 31, 2022

During the year ended December 31, 2022, 1,008,410 of the outstanding share warrants expired unexercised. The corresponding amount of \$17,222 was transferred from reserve to deficit.

	Number of warrants	Weighted average exercise price \$
Balance as at December 31, 2021	4,860,707	2.80
Expired	(1,008,410)	7.50
Balance as at December 31, 2022	3,852,297	1.60
Expired	(2,254,047)	2.00
Balance as at March 31, 2023	1,598,250	1.00

Details of warrants outstanding as at March 31, 2023, are as follows:

Date of expiry	Warrants	Exercise price	Weighted average life (Years)
April 28, 2025	1,598,250	1.00	2.08
Balance at March 31, 2023	1,598,250		2.08

Details of warrants outstanding as at December 31, 2022, are as follows:

Date of expiry	Warrants	Exercise price	Weighted average life (Years)
April 28, 2025	1,598,250	1.00	0.97
February 5, 2023	1,058,700	2.00	0.03
March 11, 2023	1,195,347	2.00	0.06
Balance at December 31, 2022	3,852,297		1.06

Stock Options

The Company has a stock option plan (the "Plan") whereby the Company is authorized to grant options to officers and directors, insiders, employees and consultants at an exercise price determined by reference to the market value on the date of the grant. The number of shares available for options to be granted under the Company's Plan is 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. Options granted under the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

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8. SHARE CAPITAL AND RESERVES (continued)

Stock Options (continued)

Under the Plan, the number of shares reserved for issuance to any one optionee will not exceed 5% of the then issued and outstanding shares. The number of shares reserved for issuance to consultants will not exceed 2% of the then issued and outstanding shares. The number of shares reserved for issuance to employees or consultants engaged in investor relations activities will not exceed 2% of then issued and outstanding shares and must vest in stages over 12 months with no more than 25% of the options vesting in any three-month period. The options are non-assignable and non-transferable and will be exercisable up to 10 years from the date of grant. The minimum exercise price of an option granted under the Plan must not be less than the discounted market price, as such term is defined in the policies of the CSE and other applicable regulatory authorities.

During the period ended March 31, 2023

During the period ended March 31, 2023, 60,000 options exercisable at \$1.80 per expired unexercised. The corresponding amount of \$80,139 was transferred from reserve to deficit.

During the year ended December 31, 2022

During the year ended December 31, 2022, 30,000 options exercisable at \$0.75 per share , 25,000 options exercisable at \$1.80 per share were cancelled. Further, 25,000 options exercisable at \$6.0 expired unexercised. The corresponding amount of \$1,015,668 was transferred from reserve to deficit.

On January 10, 2022, the Company granted 210,000 incentive stock options to certain directors, officers, employees, and consultants of the Company (Note 9). Each stock option entitles its holder to buy one common share of the Company at a price of \$0.75 for a period of 5 years. The options vest immediately. The resulting fair value of \$122,553 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 148.07%; a risk-free interest rate of 1.08%, and an expected average life of 5 years.

The changes in stock options outstanding are as follows:

	Number of options	Weighted average exercise price (\$)
Balance as at December 31, 2021	110,000	2.80
Options granted	210,000	0.75
Options forfeited/ expired	(80,000)	2.70
Balance as at December 31, 2022	240,000	1.01
Options forfeited/ cancelled	(60,000)	1.80
Balance as at March 31, 2023	180,000	0.75

As at March 31, 2023, the Company had the following stock options outstanding and exercisable:

Date of expiry	Options outstanding	Exercise price \$	Weighted average remaining Life (Years)
January 10, 2027	180,000	0.75	3.78
	180,000		3.78

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8. SHARE CAPITAL AND RESERVES (continued)

Stock Options (continued)

As at December 31, 2022, the Company had the following stock options outstanding and exercisable:

Date of expiry	Options outstanding	Exercise price \$	Weighted average remaining Life (Years)
January 12, 2023	60,000	1.80	0.01
January 10, 2027	180,000	0.75	3.02
	240,000		3.03

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

As at March 31, 2023 \$10,000 was prepaid to a company controlled by the CFO for accounting fees (December 31, 2022 - \$Nil).

The amounts due to related parties are for amounts due to directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

The Company's due directors and officer of the Company are composed of the following:

	As at	
	March 31, 2023	December 31, 2022
	\$	\$
Company controlled by the CEO	42,000	105,000
Company controlled by the CFO	-	4,500
Companies controlled by the Directors	9,100	16,575
	51,100	126,075

During the period ended March 31, 2023 and 2022, the Company entered into the following transactions with related parties:

	For the periods ended	
	March 31, 2023	March 31, 2022
	\$	\$
Management fees	75,000	70,200
Consulting fees	7,500	30,066
Professional fees	10,000	-
Direct selling expenses	4,500	-
Business development	10,500	-
Share based payments	-	90,456
	107,500	190,722

Management fees were paid or accrued to the following:

	For the periods ended	
	March 31, 2023	March 31, 2022
	\$	\$
Company controlled by the CEO	60,000	60,000
Company controlled by the CFO	15,000	10,200
	75,000	70,200

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9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

Consulting fees were paid or accrued to the following:

	For the periods ended	
	March 31, 2023	March 31, 2022
	\$	\$
Company controlled by CFO	-	7,995
Companies controlled by Directors	7,500	22,071
	7,500	30,066

Professional fees were paid or accrued to the following:

	For the periods ended	
	March 31, 2023	March 31, 2022
	\$	\$
Company controlled by CFO	10,000	-
	10,000	-

Share based payments include the following:

	For the period ended March 31, 2023		For the period ended March 31, 2022	
	Number of options	Share-based payment \$	Number of options	Share-based payment \$
Director	-	-	140,000	81,702
CFO	-	-	15,000	8,754
	-	-	155,000	90,456

On January 10, 2022, the Company issued 210,000 share options to directors, officers and consultants at \$0.75 exercise price that set to mature on January 10, 2027, 5 years from issuance date. Out of 210,000 options issued, 180,000 stock options were issued to directors and officers of the Company and recorded \$105,046 as share-based compensation expense.

10. SEGMENTED INFORMATION

The Company operates in two business segments with operations and long-term assets in Canada. The two business segments include the manufacturing of PPE and Waste Treatment, the development and commercialization of on-site treatment systems that can turn organic waste into clean water that meets municipal effluent discharge standards. Operations of PPE and Waste Treatment was discontinued during the year ended December 31, 2022. The reportable segments were determined based on the nature of the services provided and goods sold.

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10. SEGMENTED INFORMATION (continued)

During the period ended March 31, 2023, the Company's net loss per segment is presented as follows:

	Continued	Discontinued Operations		Total
	Operations	PPE Sector	Waste Treatment	
	Corporate	PPE Sector	Waste Treatment	Total
	\$	\$	\$	\$
Direct Selling Expenses	-	(4,517)	-	(4,517)
Operating expenses	(127,907)	(4,708)	(215)	(132,830)
Other income (expenses)	(2,291)	4,815	(3)	2,521
Net loss for the period	(130,198)	(4,410)	(218)	(134,826)

During the period ended March 31, 2022, the Company's net loss per segment is presented as follows:

	Continued	Discontinued Operations		Total
	Operations	PPE Sector	Waste Treatment	
	Corporate	PPE Sector	Waste Treatment	Total
	\$	\$	\$	\$
Revenue	-	126,265	-	126,265
Cost of goods sold	-	(120,048)	-	(120,048)
Direct Selling Expenses	-	(73,365)	-	(73,365)
Operating expenses	(319,377)	(71,217)	(4,273)	(394,867)
Other income (expenses)	(702)	1,856	(34)	1,120
Net loss for the period	(320,079)	(136,509)	(4,307)	(460,895)

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, 2023		December 31, 2022	
	Waste Treatment Discontinued Operations	PPE Sector Discontinued Operations	Waste Treatment Discontinued Operations	PPE Sector Discontinued Operations
	\$	\$	\$	\$
Restricted cash	-	29,054	-	28,863

Discontinued Operations

A discontinued operation is a component of the Company that either has been abandoned, disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operation; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or (iii) is a subsidiary acquired exclusively with a view to resell.

During the period ended March 31, 2023, the Company considered its Waste Treatment and PPE manufacturing operations to have met the definition of discontinued operations and as such, assets, liabilities, and results of operations that can be distinguished operationally and for financial reporting purposes from the rest of the Company have been terminated and reported separately in the financial statements.

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10. SEGMENTED INFORMATION (continued)

Discontinued Operations (continued)

The loss from discontinued operations relate to the following:

MTHI (Waste Treatment)	Periods Ended	
	March 31, 2023	March 31, 2022
	\$	\$
Operating expenses:		
Amortization	-	72
General office and administrative	215	2,816
Lease Interest expense	-	1,385
Total operating expenses	215	4,273
Loss before other expenses	(215)	(4,273)
Other income (expenses):		
Unrealized gain (loss) on foreign exchange	(3)	(34)
Total other income (expenses)	(3)	(34)
Loss from discontinued operations	(218)	(4,307)

The assets from discontinued operations recognized in the interim condensed consolidated statements of financial position are as follows:

MTHI	As at
	March 31, 2023
	\$
ASSETS	
Current Assets	
Cash and cash equivalents	6,516
Accounts Receivable	50
Prepaid expenses and deposits	8,100
Assets of discontinued Operations	14,666

Cash flows generated by discontinued operations are as follows:

MTHI	Periods Ended	
	March 31, 2023	March 31, 2022
	\$	\$
Operating activities	1,181	4,424
Financing activities	-	(21,082)
Cash flows from discontinued operations	1,181	(16,658)

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10. SEGMENTED INFORMATION (continued)

Discontinued Operations (continued)

The loss from discontinued operations relate to the following:

MTI (PPE)	Periods Ended	
	March 31, 2023	March 31, 2022
	\$	\$
Revenues	-	126,265
Cost of sales	-	(120,048)
Direct Selling Expenses	(4,517)	(73,365)
Gross profit (loss)	(4,517)	(67,148)
Operating expenses:		
Amortization	-	14,563
Business development	-	36,994
General office and administrative	3,445	19,104
Other Selling Expenses	1,263	556
Total operating expenses	4,708	71,217
Loss before other expenses	(9,225)	(138,365)
Other income (expenses):		
Other income	4,632	-
Interest income (expense)	191	157
Unrealized gain (loss) on foreign exchange	(8)	1,699
Total other income (expenses)	4,815	1,856
Loss from discontinued operations	(4,410)	(136,509)

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10. SEGMENTED INFORMATION (continued)

Discontinued Operations (continued)

The assets and liabilities from discontinued operations recognized in the interim condensed consolidated statements of financial position are as follows:

MTI	As at March 31, 2023 \$
ASSETS	
Current Assets	
Cash and cash equivalents	16,165
Accounts Receivable	12,069
Prepaid expenses and deposits	1,295
Total current assets of discontinued operations	29,529
Non-current assets	
Restricted cash	29,054
Total non-current assets of discontinued operations	29,054
<hr/>	
Assets of discontinued operations	58,583
LIABILITIES	
Current Liabilities	
Accounts payables and accrued liabilities	84,416
Due to related parties	3,075
Liabilities of discontinued operation	87,491

Cash flows generated by discontinued operations are as follows:

MTI	Periods Ended	
	March 31, 2023 \$	March 31, 2022 \$
Operating activities	(10,815)	42,329
Financing activities	-	-
Cash flows from discontinued operations	(10,815)	42,329

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11. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market 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 amounts receivable. The Company's amounts 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*, For the period ended March 31, 2023, the Company has provided for allowance for doubtful accounts of \$Nil (December 31, 2022 - \$2,017).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at March 31, 2023, the Company had working capital of \$97,368 (December 31, 2022 - \$232,385). The payment terms for accounts payable and accrued liabilities from vendors are generally 30 days or due on receipt.

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, 2023, a 10% weakening of the Canadian dollar against the US dollar would have increased the Company's net loss before taxes by approximately \$2,090 (March 31, 2022 - \$Nil).

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11. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Market risk (continued)

(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.

To maintain its ability to continue as a going concern, the Company is dependent on external financing to fund its future intended business plan. The Company manages the capital structure and makes adjustments 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, 2023. The Company is not subject to externally imposed capital requirement.

12. 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 three levels of the fair value hierarchy are:

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

The Company classified its financial instruments as follow:

	Financial Assets	Loans and Receivables	Other Financial Liabilities
	Fair Value Through Profit or loss \$	Measured at Amortized cost \$	Measured at Amortized cost \$
March 31, 2023			
Cash and cash equivalents	302,847	-	-
Trade receivables	-	-	-
Accounts payable	-	-	(127,804)
Due to related parties	-	-	(51,100)
	302,847	-	(178,904)

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12. FINANCIAL INSTRUMENTS (continued)

	Financial Assets	Loans and Receivables	Other Financial Liabilities
	Fair Value Through Profit or loss \$	Measured at Amortized cost \$	Measured at Amortized cost \$
December 31, 2022			
Cash and cash equivalents	536,753	-	-
Trade receivables	-	-	-
Accounts payable	-	-	(132,300)
Due to related parties	-	-	(126,075)
	<u>536,753</u>	<u>-</u>	<u>(258,375)</u>

Fair Value

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

13. COMMITMENTS AND CONTINGENCIES

On August 9, 2022, the Company received notice of claims issued by provincial court of British Columbia (Small Claims Court) from a former consultant pursuant to a disputed agreement entered on May 1, 2022. The former consultant wants to claim the unpaid fees for the month of July 2022 inclusive of GST and the payments in the event of termination without just cause (GST inclusive) with an aggregate potential liability of \$35,266. On August 24, 2022, the Company filed a counterclaim against the former consultant's allegation. As of April 26, 2023, the pleadings are complete, and all required applications have been made. The next step is to have a pre-trial conference, which is pending to be scheduled date for. There has been no settlement yet.