BEYOND MEDICAL TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Beyond Medical Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of Beyond Medical Technologies Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $595,964 during the year ended December 31, 2023 and, as of that date, and a total deficit of $26,098,212 as at December 31, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The consolidated financial statements of Beyond Medical Technologies Inc. for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on May 1, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

<u>Discontinued Operations</u>

As described in Note 9 to the consolidated financial statements, the Company has identified two inactive business segments that were determined to be discontinued operations.

We consider the discontinued operations to represent a key audit matter as the transaction is material to the financial statements and out of the Company's normal course of business. In addition, this required additional auditor judgements, subjectivity, and effort in performing procedures to evaluate the audit evidence relating to the judgements made by management in this area that could impact the required disclosures for discontinued operations.

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

- Obtained an understanding of the matters and corroborated management's assessment against the correct accounting treatment under IFRS 5;
- Obtained documentation relating to the dissolution of the subsidiary related to the discontinued segment;
- Performed audit testing on the discontinued segments to ensure appropriate cut off; and
- Evaluated the adequacy of the Company's disclosures.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
April 29, 2024

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

	Note		**December 31, 2023**		December 31, 2022
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**64,140**	$	536,753
GST receivable	4		**2,649**		5,841
Prepaid expenses	5		**-**		905
Current assets of discontinued operations	9		**28,848**		35,821
Total current assets			**95,637**		579,320
Non-current assets					
Non-current assets of discontinued operations	9		**-**		28,863
Total assets		**$**	**95,637**	$	608,183
LIABILITIES					
Current liabilities					
Accounts payables and accrued liabilities	6	**$**	**155,538**	$	132,300
Due to related parties	8		**150,115**		126,075
Related party loan payable	8		**30,000**		-
Liabilities of discontinued operations	9		**94,700**		88,560
Total liabilities			**430,353**		346,935
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	7		**23,577,053**		23,577,053
Reserves	7		**2,186,443**		2,305,803
Deficit			**(26,098,212)**		(25,621,608)
Total shareholders' equity (deficiency)			**(334,716)**		261,248
Total liabilities and shareholders' equity (deficiency)		**$**	**95,637**	$	608,183

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 14)
Subsequent event (Note 15)

Approved and authorized for issue by the Board of Directors on April 29, 2024

"Hyder Khoja"	*"Kal Malhi"*
Hyder Khoja, Director	Kal Malhi, Director

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

BEYOND MEDICAL TECHNOLOGIES INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Years ended December 31, 2023	December 31, 2022
Operating expenses:			
Bad debts		**$ -**	$ 2,017
Business development	8	**42,000**	110,190
Consulting fees	8	**66,000**	32,000
General office and administrative		**1,679**	5,739
Management fees	8	**283,700**	322,500
Professional fees	8	**120,663**	204,277
Share-based compensation	8	**-**	122,553
Transfer agent and filing fees		**34,432**	39,665
		(548,474)	(838,941)
Other income (expenses):			
Unrealized gain (loss) on foreign exchange		**(3,530)**	3,827
Loss from continuing operations	9	**(552,004)**	(835,114)
Loss from discontinued operations	9	**(43,960)**	(565,732)
Net loss and comprehensive loss for the year		**$ (595,964)**	$ (1,400,846)
Loss per share, basic and diluted			
From continuing operations		**$ (0.07)**	$ (0.11)
From discontinued operations		**$ (0.01)**	$ (0.07)
Weighted average number of shares outstanding		**7,913,975**	7,913,975

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

(Expressed in Canadian Dollars)

	Share Capital (Note 7)		Reserves (Note 7)			
	Number of shares	Amount $	Share-based payment reserve $	Warrant reserve $	Deficit $	Total $
Balance, December 31, 2021	**7,913,975**	**23,577,053**	**1,078,299**	**2,137,841**	**(25,253,652)**	**1,539,541**
Fair value of warrants expired	-	-	-	(17,222)	17,222	-
Share-based compensation	-	-	122,553	-	-	122,553
Fair value of stock options expired	-	-	(1,015,668)	-	1,015,668	-
Loss for the year	-	-	-	-	(1,400,846)	(1,400,846)
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	-
Loss for the year	-	-	-	-	(595,964)	(595,964)
Balance, December 31, 2023	**7,913,975**	**23,577,053**	**105,045**	**2,081,398**	**(26,098,212)**	**(334,716)**

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

(Expressed in Canadian Dollars)

	Years ended	
	December 31, 2023	December 31, 2022
Cash Provided By (Used In)		
Operating Activities		
Net loss for the year	**$ (552,004)**	$ (835,114)
Adjustments for non-cash/non-operating items:		
Bad debts	**-**	2,017
Share-based compensation	**-**	122,553
Changes in non-cash working capital items:		
GST receivables	**3,192**	12,568
Prepaid expenses and deposits	**905**	13,274
Accounts payable and accrued liabilities	**23,238**	60,399
Due to related parties	**24,040**	6,635
Net cash used in operating activities - continued operations	**(500,629)**	(617,668)
Net cash (used in) provided by operating activities - discontinued operations	**(26,415)**	(329,619)
Financing Activity		
Proceeds from related party loan payable	**30,000**	-
Net cash provided by financing activity- continued operations	**30,000**	-
Changes in cash and cash equivalents	**(497,044)**	(947,287)
Change in cash and cash equivalents included in disposal group	**24,431**	53,279
Cash and cash equivalents, beginning of the year	**536,753**	1,430,761
Cash and cash equivalents, end of the year	**$ 64,140**	$ 536,753

Supplemental disclosure with respect to cash flows (Note 13)

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

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") with a main focus on medical grade face masks through its wholly owned subsidiary, Micron Technologies Inc., ("MTI") which was incorporated on July 8, 2020. During the year ended December 31, 2022, the Company ceased its medical face mask manufacturing business, as many jurisdictions lifted mask mandates and the demand for face masks rapidly declined. The Company wound down its operations of MTI's facility and recorded a loss on discontinued operations of $35,001 (2022 - $540,308) (Note 9) and is taking steps to formally dissolve the entity.

On October 19, 2017, the Company incorporated a wholly owned subsidiary, Micron Technologies Holding Inc. ("MTHI"). MTHI was focused on the development and commercialization of on-site treatment systems that could turn organic waste into clean water that meets municipal effluent discharge standards. The Company discontinued its operations during the year ended December 31, 2022. On July 26, 2023, the Company formally dissolved MTHI. During the year ended December 31, 2023, the Company recorded a loss on discontinued operations of $8,959 (2022 - $25,424) (Note 9).

The Company continues to seek new business opportunities.

Going concern

These consolidated financial statements (the "financial statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation in the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at December 31, 2023, the Company had not yet achieved profitable operations, incurred a loss of $595,964 (December 31 2022 - $1,400,846), had a working capital deficit of $334,716 (December 31, 2022 – $232,385 surplus) and a deficit of $26,098,212 (December 31, 2022 - $25,621,608) since inception. The Company expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Over the past year, global stock markets have experienced volatility and a significant weakening in the aftermath of COVID-19. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Volatility in financial markets subsequent to December 31, 2023, may have a significant impact on the Company's financial position. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time. Although the Company has been successful in the past in raising funds to continue operations, given the macro-economic environment, there is no assurance it will be able to do so in the future.

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. and Micron Technologies Inc., which are entities over which the Company has (or had) control. On July 26, 2023, MTHI was dissolved under the BC Business Corporations Act.

2. BASIS OF PRESENTATION (continued)

Basis of consolidation and preparation (continued)

Details of the controlled entities are as follows:

		Percentage owned	
	Place of incorporation	**December 31, 2023**	December 31, 2022
Micron Technologies Holding Inc.	British Columbia	**NA - dissolved July 26, 2023**	100%
Micron Technologies Inc.	British Columbia	**100%**	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.

Statement of compliance

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

The material accounting policy information set out in Note 3 has been applied consistently to the years presented.

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 subsidiary.

Approval of the financial statements

The financial statements of the Company for the years ended December 31, 2023 and 2022 were approved and authorized for issuance by the Board of Directors on April 29, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Foreign currencies

The reporting and functional currency of the Company and its subsidiary is the Canadian dollar ("CAD"). Revenue and expense transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction, except amortization. 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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. As at December 31, 2023, the Company held $28,848 (2022 - $28,863) in cash equivalents related to discontinued operations (Note 9).

Financial instruments

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

Financial assets	
Cash and cash equivalents	FVTPL
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Related party loan payable	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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

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

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of loss and comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of loss and comprehensive loss. Any gain or loss on derecognition is also recognized in the consolidated statement of loss and comprehensive loss.

Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statements of loss and comprehensive loss.

Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments

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

Share capital

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

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 is determined to be the most easily measurable component and are valued at their fair value, as determined by the closing quoted share price on the share issuance date. The residual balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded in the warrant 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 the 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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Earnings (loss) per share (continued)

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.

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 ina 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 offset current tax assets against current tax liabilities and deferred tax assets and liabilities. The legal right is enforceable when income taxes are 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term. During the year ended December 31, 2023, the Company recognized short-term rent expense of $nil (2022 - $nil) in general office and administrative.

Related parties

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Segmented operations

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker. The chief operating decision-maker is responsible for allocating resources and assessing performance of each of the operating segments.

Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

The assets and liabilities of a disposal group are presented separately from the other assets in the consolidated statements of financial position. An impairment loss is recognized for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition. Assets are not depreciated or amortised while they are classified as part of the disposal group. Interest and other expenses attributable to the liabilities of a disposal group continue to be recognized.

Critical 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 polices 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.

<u>Judgements</u>

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.

<u>Estimates</u>

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.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Critical accounting judgments, estimates and assumptions (continued)

Estimates (continued)

Share-based payments

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.

Adoption of new accounting pronouncements

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on or after January 1, 2023. With the exception of changing the Company's accounting policies from "significant" to "material", the Company has reviewed all other updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within the material accounting policy information.

New accounting standards and interpretations issued but not yet adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2023, and have not been early adopted in preparing these financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. AMOUNTS RECEIVABLE

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

	December 31, 2023	December 31, 2022
GST receivable	**$ 2,649**	$ 5,841

5. PREPAID EXPENSES AND DEPOSITS

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

	December 31, 2023	December 31, 2022
Business development[(1)]	**$ -**	$ 905

[(1)]Business development pertains to prepaid amounts for an annual subscription.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	December 31, 2023	December 31, 2022
Accounts payable	**$ 104,115**	$ 86,805
Accrued liabilities	**19,462**	45,495
Accrual for provision	**31,961**	-
	$ 155,538	$ 132,300

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES

Authorized Share Capital
Unlimited number of common shares without par value.

Issued and Outstanding
As at December 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, 2023

No capital activity was initiated during the year ended December 31, 2023.

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.

Share Warrants

Transactions during the year ended December 31, 2023

During the year ended December 31, 2023, 2,254,047 of the outstanding share warrants expired unexercised. The fair value of $39,221 was transferred from reserve to deficit.

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 fair value of $17,222 was transferred from reserve to deficit.

A summary of changes in outstanding warrants is as follows:

	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	1.59
Expired	(2,254,047)	2.00
Balance as at December 31, 2023	**1,598,250**	**1.00**

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

Date of expiry	Warrants	Exercise price	Weighted average life (years)
April 28, 2025	1,598,250	1.00	1.33

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

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.

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 year ended December 31, 2023

During the year ended December 31, 2023, 60,000 options exercisable at $1.80 expired unexercised. The fair value 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 $0.60 expired unexercised. The fair value 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 8). 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
Granted	210,000	0.75
Forfeited	(55,000)	1.23
Expired	(25,000)	0.60
Balance as at December 31, 2022	240,000	1.01
Expired	(60,000)	1.80
Balance as at December 31, 2023	**180,000**	**0.75**

As at December 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	3.03

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The Company's due to related parties are composed of the following:

	As at			
	December 31, 2023		December 31. 2022	
Company controlled by Chief Executive Officer ("CEO")	**$**	**126,100**	$	105,000
Company controlled by Chief Financial Officer ("CFO")		**4,340**		4,500
Companies controlled by Directors		**8,650**		16,575
Company controlled by a party related to the CEO		**11,025**		-
	$	**150,115**	$	126,075

During the years ended December 31, 2023, the Company received a non-revolving term loan from a Company controlled by the CEO. The balance owing of $30,000 (December 31, 2022 - $nil) is unsecured, non-interest bearing and repayable by September 28, 2024.

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

	For the years ended			
	December 31, 2023		December 31, 2022	
Management fees	**$**	**283,700**	$	322,500
Consulting fees		**34,821**		23,000
Professional fees		**32,405**		50,406
Direct selling expenses		**-**		30,356
Business development		**42,000**		34,000
Share-based compensation		**-**		105,045
	$	**392,926**	$	565,307

Management fees were paid or accrued to the following:

	For the years ended			
	December 31, 2023		December 31, 2022	
Company controlled by CEO	**$**	**240,000**	$	240,000
Company controlled by CFO		**43,700**		60,000
Company controlled by former CEO		**-**		22,500
	$	**283,700**	$	322,500

Consulting fees were paid or accrued to the following:

	For the years ended			
	December 31, 2023		December 31, 2022	
Company controlled by Directors	**$**	**34,824**	$	20,000
Company controlled by a former Director		**-**		3,000
	$	**34,824**	$	23,000

(Expressed in Canadian Dollars)

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

Professional fees were paid or accrued to the following:

	For the years ended	
	December 31, 2023	December 31, 2022
Company controlled by CFO	**$ 32,405**	$ 50,406

Share based payments include the following:

	December 31, 2023		December 31, 2022	
	Number of options	**Share-based compensation**	Number of options	Share-based compensation
CEO	**-**	**$ -**	100,000	$ 58,359
CFO	**-**	**-**	15,000	8,754
Directors	**-**	**-**	20,000	11,672
Former director	**-**	**-**	20,000	11,672
Party related to the CEO	**-**	**-**	25,000	14,590
	-	**$ -**	180,000	$ 105,047

As at December 31, 2023, the Company has an executive contract with an officer of the Company which includes a termination provision. In the event of termination for just cause, the officer is entitled to an amount equal to six times the base monthly fee for a total of $120,000. In the event of a change of control event, a payment equal to twenty-four time the base monthly fee for a total of $480,000 will be paid out.

9. SEGMENTED INFORMATION AND DISCONTINUED OPERATIONS

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

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

	Discontinued operation		**Continuing operation**	
	Waste treatment	**PPE sector**	**Corporate**	**Total**
Operating expenses	$ (8,773)	$ (25,307)	$ (548,474)	$ (582,554)
Other expenses	(186)	(9,694)	(3,530)	(13,410)
Net loss for the year	$ (8,959)	$ (35,001)	$ (552,004)	$ (595,964)

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

	Discontinued operation		**Continuing operation**	
	Waste treatment	**PPE sector**	**Corporate**	**Total**
Revenue	$ -	$ 183,578	$ -	$ 183,578
Cost of goods sold	-	(148,572)	-	(148,572)
Direct selling expenses	-	(130,686)	-	(130,686)
Operating expenses	(24,959)	(77,226)	(838,941)	(941,126)
Other income (expenses)	(465)	(367,402)	3,827	(364,040)
Net loss for the year	$ (25,424)	$ (540,308)	$ (835,114)	$ (1,400,846)

(Expressed in Canadian Dollars)

9. SEGMENTED INFORMATION AND DISCONTINUED OPERATIONS (continued)

All of the Company's assets and expenditures are located and incurred in Canada. The Company's long-term assets are as follows:

	December 31, 2023		December 31, 2022	
	Waste Treatment Discontinued Operations $	**PPE Sector Discontinued Operations $**	**Waste Treatment Discontinued Operations $**	**PPE Sector Discontinued Operations $**
Cash equivalents	**-**	**28,847**	-	28,863

Discontinued Operations

During the year ended December 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.

The following table depicts the loss from discontinued operations which relates to MTHI:

	Years ended	
	December 31, 2023	December 31, 2022
Operating expenses:		
Amortization	**$ -**	$ 288
General office and administrative	**8,760**	12,835
Lease interest expense	**-**	11,656
Professional fees	**13**	180
Loss before other expenses	**(8,773)**	(24,959)
Other income (expenses):		
Unrealized gain (loss) on foreign exchange	**(186)**	211
Loss on impairment of equipment	**-**	(676)
Total other expenses	**(186)**	(465)
Loss from discontinued operations	**$ (8,959)**	$ (25,424)

The following table depicts the assets and liabilities from discontinued operations which related to MTHI:

	As at	
	December 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash	**$ -**	$ 8,432
Amounts receivable	-	313
Prepaid expenses and deposits	**-**	8,100
Assets of discontinued operations	**$ -**	$ 16,845
LIABILITIES		
Current Liabilities		
Accounts payables and accrued liabilities	**$ -**	$ 998
Liabilities of discontinued operations	**$ -**	$ 998

(Expressed in Canadian Dollars)

9. SEGMENTED INFORMATION AND DISCONTINUED OPERATIONS (continued)

Discontinued Operations (continued)

Cash flows generated by the discontinued operation for the year ended December 31, 2023 and 2022 are as follows:

	As at	
MTHI	**December 31, 2023**	December 31, 2022
Operating activities	**$ (8,432)**	$ (124,752)
Cash flows from discontinued operations	**$ (8,432)**	$ (124,752)

The following table depicts the loss from discontinued operations which relates to MTI:

	Years ended	
	December 31, 2023	December 31, 2022
Revenues	**$ -**	$ 183,578
Cost of sales	**-**	(148,572)
Direct selling expenses	**-**	(130,686)
Gross loss	**-**	(95,680)
Operating expenses:		
Bad debts	**10,415**	4,103
Business development	**-**	37,921
Consulting fees	**4,841**	-
General office and administrative	**10,051**	35,202
Total operating expenses	**(25,307)**	(77,226)
Loss before other expenses	**(25,307)**	(172,906)
Other income (expenses):		
Gain on recovery of impairment loss	**4,680**	**-**
Interest income	**581**	519
Unrealized gain on foreign exchange	**45**	2,372
Other income	**-**	13,331
Impairment of right of use equipment	**-**	(49,886)
Impairment of inventory	**-**	(333,738)
Loss on settlement	**(15,000)**	-
Total other expenses	**(9,694)**	(367,402)
Loss from discontinued operations	**$ (35,001)**	$ (540,308)

(Expressed in Canadian Dollars)

9. SEGMENTED INFORMATION AND DISCONTINUED OPERATIONS (continued)

Discontinued Operations (continued)

The following table depicts the assets and liabilities from discontinued operations which related to MTI:

	As at			
	December 31, 2023		December 31, 2022	
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**28,848**	$	15,984
Amounts receivable		**-**		1,697
Prepaid expenses and deposits		**-**		1,295
Total current assets of discontinued operations		**28,848**		18,976
Non-current assets				
Restricted cash		**-**		28,863
Assets of discontinued operations	**$**	**28,848**	$	47,839
LIABILITIES				
Current liabilities				
Accounts payables and accrued liabilities	**$**	**79,700**	$	86,985
Due to related parties		**-**		577
Provisions		**15,000**		-
Liabilities of discontinued operation	**$**	**94,700**	$	87,562

Cash flows generated by the discontinued operation for the year ended December 31, 2023 and 2022 are as follows:

	As at			
MTI	**December 31, 2023**		December 31, 2022	
Operating activities	**$**	**(17,983)**	$	(204,867)
Cash flows from discontinued operations	**$**	**(17,983)**	$	(204,867)

10. 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. Cash and cash equivalents comprise of the deposits and accrued interest receivable from guaranteed investment certificates ("GICs") held with the bank. The Company limits exposure to credit risk on GICs by holding deposits in high credit quality banking institutions in Canada. The Company does not have any asset-backed commercial paper included in cash.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Credit Risk (continued)

The Company's trade receivables included in discontinued operations are subject to the expected credit loss model. During the year ended December 31, 2023, the Company has provided for allowance for doubtful accounts from continuing operations 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 December 31, 2023, the Company had a working capital deficit of $334,716 (December 31, 2022 – $232,385 surplus). 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 CAD (primarily US dollars). 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 December 31, 2023, a 10% weakening of the Canadian dollar against the US dollar would have an insignificant impact on the Company's net loss.

(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 (deficiency). 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.

(Expressed in Canadian Dollars)

10. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Management of Capital (continued)

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 year ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

11. 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	**Other financial liabilities**
	Fair Value Through Profit or loss	Measured at Amortized cost
December 31, 2023		
Cash and cash equivalents	$ 64,140	$ -
Accounts payable and accrued liabilities	-	(155,538)
Related party loan payable	-	(30,000)
Due to related parties	-	(150,115)
	$ 64,140	$ (335,653)

	Financial Assets	**Other Financial Liabilities**
	Fair Value Through Profit or loss	Measured at Amortized cost
December 31, 2022		
Cash and cash equivalents	$ 536,753	$ -
Accounts payable and accrued liabilities	-	(132,300)
Due to related parties	-	(126,075)
	$ 536,753	$ (258,375)

Fair Value

Cash and cash equivalents are recorded as level 1 financial instruments. The carrying value of accounts payable and accrued liabilities, related party loan payable, and due to related parties approximated their fair value due to the short-term nature of these instruments.

(Expressed in Canadian Dollars)

12. INCOME TAXES

The Company's actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate statutory income tax rates to its income or loss before income taxes. The components of these differences are as follows:

	December 31, 2023	December 31, 2022
	$	$
Loss from continuing operations	**(552,004)**	(835,114)
Loss from discontinuing operations	**(43,960)**	(565,732)
	(595,964)	(1,400,846)
Corporate statutory rate	**27%**	27%
Expected income tax recovery	**(161,000)**	(378,000)
Change in statutory, foreign exchange rates and other	**2,000**	-
Permanent differences	**-**	137,000
Expiry of non-capital losses	**1,079,000**	-
Change in unrecognized deductible temporary differences	**(920,000)**	241,000
Income tax expense (recovery)	**-**	-

Significant components of the unrecognized deferred income tax assets are as follows:

	December 31, 2023	December 31, 2022
	$	$
Property and equipment	**56,000**	56,000
Share issuance costs	**12,000**	19,000
Allowable capital loss carry-forward	**606,000**	606,000
Non-capital loss carry-forward	**3,984,000**	4,897,000
	4,658,000	5,578,000
Unrecognized deferred tax assets	**(4,658,000)**	(5,578,000)
Deferred tax assets	**-**	-

Deferred tax assets are recognized to the extent that it is probable that taxable income 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 significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2023		December 31, 2022	
	Amount	**Expiry date**	Amount	Expiry date
	$		$	
Property and equipment	**207,000**	**No expiry date**	207,000	No expiry date
Share issuance costs	**45,000**	**2024 to 2025**	71,000	2023 to 2025
Allowable capital loss carry-forward	**14,754,000**	**2028 to 2043**	18,135,000	2028 to 2042
Non-capital loss carry-forward	**2,245,000**	**No expiry date**	2,245,000	No expiry date

Tax attributes are subject to review, and potential adjustment, by tax authorities.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The following significant non-cash transactions have been excluded from the statements of cash flows:

For the year ended December 31, 2023

a. The Company transferred $39,221 from the warrant reserve to the deficit on the expiry of warrants (Note 7).

b. The Company transferred $80,139 from the share-based payment reserve to the deficit on the expiry of stock options (Note 7).

c. During the year ended December 31, 2023, the Company paid $nil in interest expense and $nil for taxes.

For the year ended December 31, 2022

a. The Company transferred $17,222 from the warrant reserve to the deficit on the expiry of warrants (Note 7).

b. The Company transferred $1,015,668 from the share-based payment reserve to the deficit on the expiry and cancellation of stock options (Note 7).

c. During the year ended December 31, 2022, the Company paid $nil in interest expense and $nil for taxes.

14. 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 claiming unpaid consulting fees pursuant to a disputed agreement entered into on May 1, 2022. On August 24, 2022, the Company filed a counterclaim denying all allegations. Subsequent to the year end, the claim went to trial and as a result, a provision of $31,961 was recorded as a provision within accounts payable and accrued liabilities in the financial statements, as it is more likely than not the fees will be paid out (Note 6).

In May 2019, the Company received a Human Rights Complaint from a former employee and made a preliminary Application to Dismiss the Complaint. In March 2023, only a portion of the Complaint was dismissed. Subsequent to the year end, a settlement of $15,000 was reached and was recorded as a provision which is included in current liabilities of discontinued operations (Note 9).

15. SUBSEQUENT EVENT

Subsequent to year end, the Company received $30,000 in an additional loan from a company controlled by the CEO to help financing working capital needs. The loan is unsecured, non-interest bearing and due by January 25, 2025.