Sixth Wave Innovations Inc.

Consolidated Financial Statements

Years ended August 31, 2022, and 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Sixth Wave Innovations Inc.

Opinion

We have audited the accompanying consolidated financial statements of Sixth Wave Innovations Inc. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as August 31, 2022, and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred significant losses, and has negative cash flows from operations. As stated in Note 1 in the consolidated financial statements, these events, or conditions, along with other matters as set forth in Note 1 in the consolidated financial statements, 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 Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 scepticism 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.

The engagement partner on the audit resulting in this independent auditor's report is Erez Bahar.

Davidson & Company LLP

Vancouver, Canada   Chartered Professional Accountants

December 28, 2022

SIXTH WAVE INNOVATIONS INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
AS AT

	Note		August 31, 2022		August 31, 2021
ASSETS					
Current assets					
Cash		$	12,659	$	1,068,054
Receivables	6		9,978		20,400
Prepaid expenses and other	7		155,043		648,759
Financial assets at fair value through the profit and loss	9		228,237		-
Total current assets			405,917		1,737,213
Non-current assets					
Financial assets at fair value through the profit and loss	9		171,178		-
Property and equipment	10		253,339		556,948
Right-of-use asset	11		39,442		157,772
Intangible assets	12		1,177,993		1,597,614
Goodwill	13		-		1,050,000
Total non-current assets			1,641,952		3,362,334
TOTAL ASSETS		**$**	**2,047,869**	**$**	**5,099,547**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	21	$	2,081,597	$	448,172
Current portion of lease liability	14		49,015		127,752
Short term loan	16		332,642		-
Deferred salary loans	17		141,720		42,203
Convertible debentures	15		1,083,652		-
Total current liabilities			3,688,626		618,127
Non-current liabilities					
Lease liability	14		-		46,568
Deferred salary loans	17		126,198		266,822
Convertible debentures	15		913,768		1,612,023
Warrant liability	18		36,973		-
Total non-current liabilities			1,076,939		1,925,413
TOTAL LIABILITIES		**$**	**4,765,565**	**$**	**2,543,540**
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	19		57,062,793		54,140,553
Reserves	19		6,381,853		5,883,740
Equity component of convertible debentures	15		417,179		417,179
Convertible notes	19(f)		136,935		-
Accumulated deficit			(66,716,456)		(57,885,465)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**$**	**(2,717,696)**	**$**	**2,556,007**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**$**	**2,047,869**	**$**	**5,099,547**

Nature of continuance of operations (note 1)
Going concern (note 2)
Commitments (note 24)
Subsequent events (note 25)

On behalf of the Board of Directors December 28, 2022

(s) Jonathan Gluckman
Jonathan Gluckman, Director

(s) Sokhie Puar
Sokhie Puar, Director

The accompanying notes form an integral part of these Consolidated financial statements.

SIXTH WAVE INNOVATIONS INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note		Year ended August 31, 2022		Year ended August 31, 2021
EXPENSES					
Amortization	1,0 11, and 12	$	607,822	$	630,044
Advertising and promotion			454,030		677,750
Management and consulting	21		2,514,613		3,287,771
Office and miscellaneous			144,989		115,462
Professional fees			493,164		589,494
Rent expense			5,425		14,097
Regulatory and filing fees			132,265		100,720
Share based compensation	19 and 21		479,761		1,100,941
Research and development			1,113,193		1,309,370
Travel and related			6,707		22,297
Loss before other items			(5,951,969)		(7,847,946)
Gain on share interest payment			129,588		10,029
Loss on sale of property			(39,433)		
Loan receivable impairment			-		(519,810)
Loss on debt settlement			-		(93,427)
Gain on debt settlement			-		48,498
Other income			100,000		111,706
Interest expense			(536,311)		(583,712)
Goodwill impairment			(1,050,000)		(7,188,856)
Foreign exchange gain (loss)			(81,693)		(172,727)
Unrealized gain on warrant liability	18		1,131,541		-
Unrealized loss on equity swap agreement	9		(2,327,714)		-
Realized loss on equity swap agreement	9		(205,000)		-
Net loss and comprehensive loss for the year		$	(8,830,991)	$	(16,236,245)
Basic and diluted loss per common share		$	(0.07)	$	(0.16)
Basic and diluted weighted average number of common shares outstanding			126,356,954		98,934,346

The accompanying notes form an integral part of these consolidated financial statements.

SIXTH WAVE INNOVATIONS INC.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Number of shares	Amount ($)	Reserves ($)	Equity Component of Convertible Debentures ($)	Convertible Notes ($)	Subscriptions Received ($)	Accumulated Deficit ($)	Total ($)
Balance at August 31, 2020	80,234,101	43,614,558	4,213,430	132,401	-	163,564	(41,649,220)	6,474,733
Shares issued on financing (net of share issuance costs)	26,770,881	7,107,140	365,732	-	-	(163,564)	-	7,309,308
Share based payments	2,016,240	776,252	1,100,941	-	-	-	-	1,877,193
Equity component of convertible debentures	-	-	217,171	284,778	-	-	-	501,949
Issuance of commitment warrants	-	-	57,387	-	-	-	-	57,387
Shares issued for payment of interest on convertbile debentures	468,147	132,213	-	-	-	-	-	132,213
Shares issued to settle convertible debenture	1,301,520	351,410	-	-	-	-	-	351,410
Shares issued on exercise of options	100,000	72,921	(32,921)	-	-	-	-	40,000
Shares issued on settlement of deferred share units	100,000	38,000	(38,000)	-	-	-	-	-
Shares issued on settlement of deferred salary loans	5,517,099	1,700,059	-	-	-	-	-	1,700,059
Shares issued on acquisition of Geolithic	800,000	348,000	-	-	-	-	-	348,000
Net loss for the year	-	-	-	-	-	-	(16,236,245)	(16,236,245)
Balance at August 31, 2021	117,307,988	54,140,553	5,883,740	417,179	-	-	(57,885,465)	2,556,007
Shares issued on financing (net of share issuance costs) (note 19)	17,360,000	2,826,569	-	-	-	-	-	2,826,569
Shares issued for payment of interest on convertbile debentures (note 19)	761,598	95,671	-	-	-	-	-	95,671
Issuance of broker warrants	-	-	18,352	-	-	-	-	18,352
Share based payments (note 19)	-	-	479,761	-	-	-	-	479,761
Convertible notes (note 19)	-	-	-	-	136,935	-	-	136,935
Net loss for the year	-	-	-	-	-	-	(8,830,991)	(8,830,991)
Balance at August 31, 2022	135,429,586	57,062,793	6,381,853	417,179	136,935	-	(66,716,456)	(2,717,696)

The accompanying notes form an integral part of these consolidated financial statements.

SIXTH WAVE INNOVATIONS INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Note	Year ended August 31, 2022 ($)	Year ended August 31, 2021 ($)
CASH FLOWS USED BY OPERATING ACTIVITIES			
Net loss for the year		(8,830,991)	(16,236,245)
Adjustments for items not involving cash:			
Amortization	10, 11, and 12	607,822	630,044
Share-based compensation	19	479,761	1,100,941
Share compensation in management consulting		-	596,365
Share compensation in research and development		-	179,887
Accretion expense		284,311	216,575
Realized loss on swap		205,000	-
Gain on share interest payment		(129,588)	-
Accrued interest expense		-	180,192
Shares issued for interest		95,671	-
Interest income		-	(61,672)
Goodwill impairment		1,050,000	7,188,856
Loss on debt settlement		-	44,929
Impairment of loan receivable		-	519,810
Forgiveness of government loan		-	(250,000)
Loss on disposal of property		39,433	-
Unrealized loss on equity swap agreement	9	2,327,714	-
Unrealized gain on warrant liability	18	(1,131,541)	-
Unrealized foreign exchange		11,919	(62,612)
		(4,990,489)	(5,952,930)
Change in non-cash operating working capital items:			
Accounts receivable		10,422	(2,590)
Accounts payable and accrued liabilities		1,778,684	(613,483)
Prepaid expenses and other		420,711	(517,915)
Net cash used in operating activities		(2,780,672)	(7,086,918)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on issuance of shares (net of costs)	19	960,137	7,309,307
Proceeds from issuance of convertible debentures	15	-	1,113,000
Receipts from settlement of equity swap	9	376,818	-
Proceeds from short term loan	16	587,217	155,198
Repayment of short term loan	16	(254,575)	(150,000)
Repayment of deferred salary loans	17	(74,275)	(239,822)
Repayment of convertible promissory note		-	(849,349)
Issuance of common shares on exercise of options		-	40,000
Government grant		-	250,000
Lease liability payments	14	(144,351)	(141,337)
Net cash provided by financing activities		1,450,971	7,486,997
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES			
Purchase of equipment		-	(35,177)
Cash paid in the acquisition of Geolithic shares		-	(12,515)
Proceeds on disposal of property		274,306	-
Advances to Affinity Farms Inc.		-	(4,625)
Net cash (used in) provided by investing activities		274,306	(52,317)
Change in cash during the period		**(1,055,395)**	**347,762**
Cash, beginning of the period		**1,068,054**	**720,292**
Cash, end of the period		**12,659**	**1,068,054**

Supplemental disclosure with respect to cash flows (note 22)

The accompanying notes form an integral part of these consolidated financial statements.

1. Nature and continuance of operations

Sixth Wave Innovations Inc. (the "Company") and 6th Wave Innovations Corp. ("6WIC"), a private nanotechnology company focused on extraction and detection of target substances at the molecular level, entered into a definitive agreement dated September 11, 2018, to merge the two companies to form Sixth Wave Innovations Inc. (the "Merger"). The boards of the Company and 6WIC each unanimously approved the terms of the Merger (refer to note 6 for details). The Company was incorporated under the Business Corporations Act (BC) on June 6, 2007. The registered office of the Company is located at Suite 830 - 1100 Melville Street, Vancouver, British Columbia V6E 4A6. The head office of the Company is located at Suite 110 - 210 Waterfront Dr., Bedford, Nova Scotia B4A 0H3. The Company traded on the NEX board of the TSX Venture Exchange ("NEX") under the ticker symbol 'AGY.H' until May 29, 2018, after which it voluntarily delisted from the NEX. On February 11, 2020, the Company listed its common shares for trading on the Canadian Securities Exchange ("CSE").

Effective April 13, 2021, through a series of transactions, the Company acquired 100% of the outstanding common shares of Geolithic Corp.

2. Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. During the year ended August 31, 2022, the Company incurred a loss of $8,830,991 and remains dependent upon the receipt of additional equity and/or debt financing. While management has been successful in obtaining required financing in the past, there is no assurance that additional financing will be available or be available on favourable terms. The Company's ability to continue as a going concern is dependent upon the ability to raise financing and ultimately generate profitable operations. The material uncertainties related to events and conditions mentioned may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect and adjustments to the carrying value of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, these conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

3. Basis of presentation

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

The consolidated financial statements were authorized for issue in accordance with a resolution from the Board of Directors on December 28, 2022.

(a) Significant judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Basis of presentation (continued)

Critical Accounting Judgments

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Going concern

The assessment of the Company's ongoing viability as an operating entity and determination of the related disclosures requires significant judgment.

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to the entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which the entity operates and is re-evaluated when facts and circumstances indicate that conditions have changed.

Critical Accounting Estimates and Assumptions

Business combinations

Determining whether an acquisition is a business combination or an asset acquisition. Judgment is also required to assess whether contingent consideration should be classified as equity or a liability. Measuring the fair value of equity instruments issued as consideration for a business combination, and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. Noncontrolling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of this equity in the acquiree's identifiable net assets. The excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over the net assets of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a liability is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in net income (loss).

Classification of associated company

Classification of investments requires judgment as to whether the Company controls, has joint control or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

Embedded derivatives

As part of assessing whether an instrument is a hybrid financial instrument and contains an embedded derivative, significant judgement is required in evaluating whether the host contract is more akin to debt or equity and whether the embedded derivative is clearly and closely related to the underlying host contract. The Company concludes that the host instrument of the convertible debentures is a debt host due to the holder's right to redeem the instrument for cash at a point in time in the future. The Company determines that the conversion option is not closely related to the debt host, and that the conversion option is required to be separated from the host instrument and accounted for as an embedded derivative due to the variability in the number of shares issuable under the convertible debentures. In applying its judgement, the Company relies primarily on the economic characteristics and risks of the instrument as well as the substance of the contractual arrangements.

3. Basis of presentation (continued)

The initial fair values of the embedded derivative conversion options and subsequent re-measurements at fair value at each reporting date are determined by using the Black-Scholes pricing model which requires exercise of judgment in relation to variables such as expected volatilities in share price and foreign exchange rates.

Impairment on non-financial assets

At each reporting date, the Company assesses its non-financial assets to determine whether there are any indications of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. Non-financial assets that do not generate independent cash flows are grouped together into a cash generating unit ("CGU"), which represents the lowest level at which largely independent cash flows are generated. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is calculated as the present value of the estimated future cash flows discounted at appropriate discount rates. These calculations require the use of estimates and assumptions.

Estimated useful lives of property, plant and equipment and intangible assets

Depreciation of property, plant and equipment and amortization of intangible assets is dependent upon estimates of useful lives and residual values which are determined through knowledge of the business and judgment. Residual values, useful, depreciation, and amortization methods are reviewed annually for relevancy and changes are accounted for prospectively. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic conditions, market conditions and the useful lives of the assets. The useful life if the Company's intangible assets is estimated as 5 years,

Financial instruments

The determination of categories of financial assets and liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

The identification of convertible note component is based on interpretations of the substance of the contractual arrangement and therefore requires judgement from management. The separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

4. Significant accounting policies

(a) Basis of measurement

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. The consolidated financial statements have been prepared under the historical cost convention, except for fair value though profit and loss assets, certain convertible debentures and the warrant liability which are measured at fair value. All amounts are presented in Canadian dollars unless otherwise specified.

Certain comparative figures in these consolidated financial statements have been reclassified in order to conform with current period presentation.

(b) Basis of consolidation

The Company had classified its investment in Geolithic Corp. ("Geolithic") as an associated company and as at
These consolidated financial statements include the accounts of the Company, its wholly owned subsidiary, 6WIC from the date of acquisition, January 31, 2020, and its wholly owned subsidiary, Geolithic from the date of acquisition, April 13, 2021 (note 8). All intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

(c) Cash

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. As at August 31, 2022, the Company had cash of approximately $12,700 (2021 - $1,068,000).

4. Significant accounting policies (continued)

(d) Intangible assets

Intangible assets acquired individually or with a group of other assets from others (other than in a business combination) are recognized at cost, including transaction costs, and allocated to the individual assets acquired based on relative fair values and no goodwill is recognized. Cost is measured based on cash consideration paid. If consideration given is in the form of non-cash assets, liabilities incurred, or equity interests issued, measurement of cost is based on either the fair value of the consideration given or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and more reliably measurable. Costs of internally developing, maintaining or restoring intangible assets that are not specifically identifiable, have indeterminate lives or are inherent in a continuing business are expensed as incurred.

Intangibles with a finite useful life are amortized and those with an indefinite useful life are not amortized. The useful life is the best estimate of the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Company. The useful life is based on the duration of the expected use of the asset by the Company and the legal, regulatory or contractual provisions that constrain the useful life and future cash flows of the asset, including regulatory acceptance and approval, obsolescence, demand, competition and other economic factors. If an income approach is used to measure the fair value of an intangible asset, the Company considers the period of expected cash flows used to measure the fair value of the intangible asset, adjusted as appropriate for Company-specific factors discussed above, to determine the useful life for amortization purposes. If no regulatory, contractual, competitive, economic or other factors limit the useful life of the intangible to the Company, the useful life is considered indefinite.

Intangibles with a finite useful life are amortized on the straight-line method unless the pattern in which the economic benefits of the intangible asset are consumed or used up are reliably determinable. The Company evaluates the remaining useful life of intangible assets each reporting period to determine whether any revision to the remaining useful life is required. If the remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over the revised remaining useful life. Intellectual property acquired pursuant to the Merger Transaction, further described in note 8, is amortized on a straight-line basis over 5 years.

Intangibles with an indefinite useful life are not amortized until its useful life is determined to be no longer indefinite. Indefinite-lived intangibles are tested for impairment annually and more frequently if events or circumstances indicate that it is more-likely-than-not that the asset is impaired. The Company has not recognized any intangible assets with an indefinite useful life.

(e) Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets, including intangible assets, and liabilities of the acquiree at the date of acquisition. At the date of acquisition, goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is tested at least annually for impairment at the CGU level and is carried at cost less accumulated impairment losses.

(f) Impairment of financial and non-financial assets

Financial assets

The Company's financial assets that are subject to IFRS 9's expected credit loss model consist of receivables, all of which are measured at amortized cost. While cash, is also subject to the impairment requirements of IFRS 9, the impairment loss is insignificant as all cash, is placed with high credit quality financial institutions. For receivables the Company applies the simplified expected credit loss model which requires the recognition of loss allowance based on lifetime expected credit loss. The Company has determined that due to extremely low credit risk from its receivables, the expected credit loss provision is de minimis.

4. Significant accounting policies (continued)

Non-financial assets

The carrying amounts of the Company's non-financial assets, which includes property and equipment, right of use assets, intangible assets, and goodwill are reviewed at each reporting date to determine whether there are any events or changes that are indicators of impairment. If such an indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together in the smallest group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows of other assets or groups of assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs to sell. In assessing value in use, future discounted cash flows are estimated. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of loss. The Company evaluates impairment losses for potential reversals (other than goodwill) when events or circumstances warrant such consideration.

Financial instruments

The Company classifies its financial instruments based on the purpose for which the financial assets and liabilities were acquired. Management determines the classification of the financial assets and liabilities at initial recognition. The Company has the following types of financial assets and liabilities:

a) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company’s loans and receivables comprise and cash and are included in current assets due to their short-term nature. Receivables are initially recognized at the amount expected to be received and subsequently carried at amortized cost using the effective interest rate method with gains and losses recorded in the consolidated statement of loss.

b) Other financial liabilities: Other financial liabilities are carried at amortized cost and include accounts payable, short-term loan, deferred salary loans and certain convertible debentures liability. These are initially recognized at the amount required to be paid, and subsequently measured at amortized cost using the effective interest rate method with gains or losses recorded in the consolidated statement of loss.

c) Fair value through Profit and Loss (FVPL): These Company performed and analysis and concluded that the cash expected to be received through a series of transaction is designated a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (i.e., the 'accounting mismatch') as it related to the convertible debenture -liability portion that is associated with these transactions. The Company’s FVPL assets and liabilities include financial assets at fair value through profit and loss, certain convertible debentures and warrant liability.

(g) Property and Equipment

Equipment is recorded at cost less accumulated amortization and impairment losses. The Company provides for amortization using the declining balance at rates designed to amortise the cost of the equipment over their limited useful lives. The annual amortization rates are as follows:

Asset	Basis	Rate
Office equipment	Declining balance	30%
Furniture and fixtures	Declining balance	30%
Research equipment	Declining balance	30%
Building	Declining balance	4%

Land is not amortized due to having infinite useful life.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

4. Significant accounting policies (continued)

(h) Share based payments

Awards of options to employees and others providing similar services under this plan are expensed based on the estimated fair value of the options at the grant date, with a corresponding credit to reserves in shareholders' equity. Fair value is measured using the Black-Scholes pricing model. If the options are subject to vesting periods, the compensation cost is recognized over this period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Consideration received on the exercise of stock options is credited to share capital together with the amounts originally recorded as share-based compensation in reserves related to the exercised options.

The Company has a deferred share unit plan (the "DSU Plan") for its directors and executive officers. DSUs are classified as equity settled share-based payment transactions as the participants will receive either common shares of the Company or payment of cash, or any combination of the foregoing, as determined by the Company in its sole discretion, following a redemption event. As such, the Company recognizes the expense based on the quoted market price of the Company's common shares at the grant date and a corresponding increase in equity for the eventual redemption when the DSUs are issued.

(i) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognised as a deduction from equity, net of any tax effects.

(j) Share issuance costs

Share issuance costs, which include commissions, facilitation payments, professional fees and regulatory fees, are charged directly to share capital. Share issue costs incurred from the issuance of flow-through shares are charged directly to share capital and expense in proportion to the value of the Company's shares at time of issue.

(k) Investment in associated company

The Company accounts for its long-term investments in affiliated companies over which it has significant influence using the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses and reduced by dividends received. The consolidated statements of loss and comprehensive loss reflect the Company's share of the results of operations of the associated company from the acquisition date forward. Where there has been a change recognized directly in the equity of the associated company, the Company recognizes its share of any changes. Unrealized gains and losses resulting from transactions between the Company and the associated company are eliminated to the extent of the interest in the associated company.

The Company assesses its equity investments for impairment at each reporting date if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated. Objective evidence of impairment of equity investments includes:

(i) significant financial difficulty of the associated company.

(ii) becoming probable that the associated company will enter bankruptcy or other financial reorganization; or

(iii) national or local economic conditions that correlate with defaults of the associated company.

If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in profit or loss. Upon loss of significant influence over the associated company, the Company measures and recognizes any remaining investment at its fair value. Any difference between the carrying amount of the associated company upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss.

4. Significant accounting policies (continued)

(l) Related party transactions

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

(m) Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(n) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

The consolidated income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss and comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the tax benefit will be realized.

(o) Foreign currency translation

Functional currency

Items included in the consolidated financial statements of the Company’s subsidiary are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the parent company and its subsidiary is the Canadian dollar.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rate prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of loss and comprehensive loss.

4. Significant accounting policies (continued)

(p) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration transferred less the recognized amount of the identifiable assets and liabilities assumed, all measured at the acquisition date. Transactions costs, other than those associated with the issue of equity instruments, incurred in connection with a business combination are expensed as incurred.

(q) Government assistance

The Company received certain government assistances in the form of forgivable loans from the Canadian and U.S. governments in connection with the COVID-19 pandemic. When there is reasonable assurance that the amounts will be forgiven, the Company reduces the loan and credits the forgiven amounts to the related expenses. The Company includes government assistance that has not been forgiven or is repayable in accounts payable and accrued liabilities.

(r) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company has the intention and sufficient resources to complete development and to use or sell the asset. The expenditures capitalized in respect of development activities includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred.

(s) Leases

At inception of a contract, the Company assesses whether the 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 for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company’s incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset’s useful life.

4. Significant accounting policies (continued)

(a) Standards, amendments, and interpretations

The Company has adopted the following new standards, along with any consequential amendments, effective September 1, 2021. These changes were made in accordance with the applicable transitional provisions.

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Estimates and Errors

On October 31, 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. These amendments clarify the definition of "material" and aligns the definition used within the IFRS Standards. The application of this amendment did not have a material impact on the Company.

IFRS 3 – Business Combinations

On October 22, 2018, the IASB issued an amendment to IFRS 3 Business Combinations to narrow the definition of a business and introduce a screening test, which eliminates the requirement for a detailed assessment of the definition, when met. The application of this amendment did not have a material impact on the Company.

(b) Standards, amendments, and interpretations

The Company has adopted the following new standards, along with any consequential amendments, effective September 1, 2021. These changes were made in accordance with the applicable transitional provisions.

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Estimates and Errors

On October 31, 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. These amendments clarify the definition of "material" and aligns the definition used within the IFRS Standards. The application of this amendment did not have a material impact on the Company.

IFRS 3 – Business Combinations

On October 22, 2018, the IASB issued an amendment to IFRS 3 Business Combinations to narrow the definition of a business and introduce a screening test, which eliminates the requirement for a detailed assessment of the definition, when met. The application of this amendment did not have a material impact on the Company.

5. Management of capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its business activities. 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.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. 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 August 31, 2022, or the year ended August 31, 2021.

6. Receivables

As at August 31, 2022, the Company's amount receivable of $9,978 (2021 - $20,400) is comprised of Goods and Services Tax / Harmonized Sales Tax ("GST") due from government taxation authorities.

(Expressed in Canadian dollars)

7. Prepaids

As at August 31, 2022, the majority of the Company's prepaid expenses are related to deposits and insurance premiums advances.

8. Acquisition of Geolithic

During the year ended August 31, 2020, the Company acquired 6WIC, and as a result the Company acquired 40% of the issued and outstanding common shares of Geolithic on January 31, 2020.

On January 20, 2017, 6WIC entered into a Minerals Extraction Joint Venture Company Agreement with TriLateral Energy, LLC ("TLE"). TLE and 6WIC formed Geolithic, a corporation formed under the laws of the state of Delaware with its principal place of business in Salt Lake City, Utah. Geolithic is a private company and its principal business activity is to extract lithium and other relatively rare and valuable minerals using new and innovative extraction methods.

In 2017, 6WIC entered into an exclusive license agreement with Geolithic for the use of their nano extraction technology and received $400,000 USD from TLE on behalf of Geolithic relating to the advanced payments of the exclusive license agreement.

On February 28, 2020, the Company entered into an option agreement with TLE to acquire additional interest in Geolithic. The Company had two options to purchase the entirety of Geolithic's shares, exercised in two separate transactions for a total purchase price of $300,000 USD to be paid by the Company. The first option shall be exercisable for 15% of the total outstanding shares for a total purchase of $75,000 USD. The second option shall be exercisable to purchase 35% of the total outstanding shares for a total price of $175,000 USD on or before July 31, 2020 and to purchase the remaining 10% of the total outstanding shares for a total price of $50,000 USD on or before September 30, 2020. On March 6, 2020, the Company exercised the first option and paid $99,177 ($75,000 USD) for 15% of the total outstanding shares of Geolithic, resulting in the Company owning 55% of Geolithic. On October 30, 2020, the Company made a payment of $12,515 ($10,000 USD) against the second payment. On April 13, 2021, the Company and TLE agreed to settle the remaining amount owing of $215,000 USD through the issuance of 800,000 common shares of the Company with a fair value of $348,000 and as a result the Company acquired 100% of the outstanding of common shares of Geolithic. Originally and up until April 13, 2021, Geolithic was recognized as an equity investment of the Company.

A reconciliation of the Company's investment in Geolithic prior to the acquisition is as follows:

Balance, August 31, 2020	$	310,755
Equity (loss) gain in Geolithic for the year		-
Balance, April 13, 2021	$	310,755

The acquisition of Geolithic has been treated as an asset acquisition. The assets and liabilities of Geolithic assumed on acquisition were as follows:

Consideration		
Value of investment prior to acquisition	$	310,755
Cash paid		12,515
Value of shares issued		348,000
Total consideration	$	671,270
Net assets acquired		
Receivables	$	530,642
Intellectual property		140,628
As at April 13, 2021	$	671,270

The intellectual property acquired relates to the development rights of Geolithic's lithium extraction technology. Amortization of the intellectual property will commence once the technology is available for commercial production.

(Expressed in Canadian dollars)

9. Financial assets at fair value through profit and loss

	2022	2021
Financial assets at fair value through profit and loss		
- Current	$ 228,237	-
- Non-current	171,178	-
Total	**$ 399,415**	**-**
At acquisition	$ 2,420,150	-
Cash received on monthly swap settlements to date	(376,818)	-
Realized loss on settlement received to date	(205,000)	-
Unrealized loss – financial assets at fair value	(1,438,917)	-
	$ 399,415	-

Effective March 29, 2022, the Company entered into series of agreements with a third party; Sorbie Bornholm LP (Sorbie), whereby the following transactions resulted:

i. The Company issued 1,104 unsecured convertible notes of $1,000 each and totaled $1,104,000, convertible at maturity in two years into common shares at $0.12 per share.

ii. The Company issued 12,200,000 Units consisting of one common share and one-half common share purchase warrant, with each warrant entitling the holder to purchase one additional common share.

iii. In connection with the convertible notes and the Units, the Company issued a total of 10,700,368 warrants exercisable at a price of $0.175 per share for the first two years, and at $0.20 in the third year. Of the total warrants, 4,600,368 warrants are compensation warrants in connection with the convertible note.

iv. Equity sharing agreement (equity swaps) whereby the net proceeds of the transaction and the 12.2 million shares were put into an escrow account, to be released based on a predetermined schedule. The equity swaps settle on a monthly basis over 24 months, and commenced on May 6, 2022, with one swap settling each month. The monthly settlement amount payable to the Company by the counter-party is determined by an independent settlement agent with the amount due calculated via reference to the average of the volume weighted average price of the Company's shares as traded on the Canadian Securities Exchange for the twenty days preceding the settlement date ("VWAP"), compared to the benchmark price of $0.16. Each one cent difference between the VWAP and the benchmark price results in a $28,409 per month premium or discount to the amount to be received by the Company for the swap at settlement. If the Company's share price is to exceed the base price of $0.16 the payments will increase to reflect the increase in share price, however, if the share prices fall below the based prices, the proceeds are adjusted for the decline and the Sorbie retains the difference of the scheduled payments and the calculated payments. During the year the company received $376,818 of the cash held in escrow and realized a loss of $205,000 based on the terms of the agreement and the Company's share price.

v. On March 29, 2022, the total 12.2 million shares were issued by the Company and released in line with the schedule.

The above transactions resulted in the following assets and liabilities:

a. Financial asset at fair value through profit and loss which is the value of the subscriptions or cash proceeds expected to be received under the terms of the arrangements. This was recognized at relative fair value at the inception date and subsequently remeasured each reporting period to fair value. At the year end the Company recorded and unrealized loss as a result of the measurement of the asset. This is a Level 3 financial instrument.

b. Convertible debenture – liability which is recognized at relative fair value at the inception date and subsequently remeasured each reporting period to fair value as fair value through profit and loss liability. At the year end the Company recorded and unrealized loss as a result of the measurement of the liability. This is a Level 3 financial instrument.

c. Warrant liability was recognized at relative fair value at the inception date and subsequently remeasured each reporting period to fair value as fair value through profit and loss liability. At the year end the Company recorded and unrealized gain as a result of the measurement of the warrant liability. This is a Level 3 financial instrument.

The unrealized loss of the items are recorded in the consolidated statement of loss and total $1,196,173 (2021: $nil).

d. Share issued and the Convertible debenture – equity portion were recognized at the relative fair value at the inception date and not remeasured.

(Expressed in Canadian dollars)

9. Financial assets at fair value through profit and loss (continued)

The financial asset at fair value through profit and loss, the warrant liability, and the convertible debenture – liability was valued using the Monte Carlo simulation with 250 steps for each instrument, where the share price was projected at various points in the model. The method was chosen because the variation of terms with key inputs at the year-end as follows, all; other significant inputs such as term, or life of the warrant were based on the contract terms

Key inputs	Fair value through profit and loss	Warrant liability	Convertible debenture – liability
Volatility	97.48%	125.28%	40%

10. Property and equipment

As a result of the loan settlement with Affinity Farms Inc. the Company acquired land of $134,725 and buildings of $179,013 as at August 31, 2022. On April 12, 2022, the Company sold the land and building that was acquired last year in the settlement of the Affinity Farm Loan for US$240,000 less closing costs.

	Office equipment	Furniture and fixtures	Research equipment	Land	Buildings	Total
Costs						
Balance, August 31, 2020	$ 20,850	$ 1,460	$ 335,648	$ -	$ -	$ 357,958
Additions	1,866	-	33,310	134,725	179,013	348,914
Balance, August 31, 2021	22,716	1,460	368,958	134,725	179,013	706,872
Additions			80,000			80,000
Disposal	-	-	-	(134,725)	(179,013)	(313,738)
Balance, August 31, 2022	22,716	1,460	448,958	-	-	473,134
Accumulated amortization						
Balance, August 31 2020	$ 3,433	$ 256	$ 54,141	$ -	$ -	$ 57,830
Amortization	5,297	346	86,451	-	-	92,094
As at August 31, 2021	8,730	602	140,592	-	-	149,924
Amortization	3,986	244	65,641	-	-	69,871
As at August 31, 2022	12,716	846	206,233	-	-	219,795,
Net book value						
Balance, August 31, 2021	$ 13,986	$ 858	$ 228,366	$ 134,725	$ 179,013	$ 556,948
Balance, August 31, 2022	$ 10,000	$ 614	$ 242,725	$ -	$ -	$ 253,339

11. Right-of-use asset

The Company recognized a right of use assets with respect to 6WIC's office lease with an opening balance of $345,125. This amount represents the present value of future minimum lease payments using a discount rate of 15%. The following table reconciles the changes attributable to the Company's right of use asset:

Costs	
As at September 1, 2020	$ 345,125
Additions	-
As at August 31, 2021	$ 345,125
Additions	-
As at August 31, 2022	$ 345,125
Accumulated amortization	
As at September 1, 2020	$ 69,025
Change for the year	118,328
As at August 31, 2021	$ 187,353
Change for the year	118,330
As at August 31, 2022	$ 305,683
Net book value	
As at August 31, 2021	$ 157,772
As at August 31, 2022	$ 39,442

Amortization on the right-of-use asset is calculated using the straight-line method over remaining lease term.

(Expressed in Canadian dollars)

12. Intangible assets

The Company has determined the fair value of the intellectual property acquired in connection with the acquisition of 6WIC to be $2,098,105. The Company has determined the fair value of the intellectual property acquired in connection with the acquisition of Geolithic, as further described in note 8, to be $140,628. A summary of the Company's intangible assets is provided below:

	Intellectual property (acquisition of Geolithic)	Intellectual property (acquisition of 6WIC)	Website domains	Total
Costs				
Balance, August 31, 2020	$ -	$ 2,098,105	$ 23,281	$ 2,121,386
Additions	140,628	-	-	140,628
Balance, August 31, 2021	140,628	2,098,105	23,281	2,262,014
Additions	-	-	-	-
Balance, August 31, 2022	140,628	2,098,105	23,281	2,262,014
Accumulated amortization				
Balance, August 31, 2020	$ -	$ 244,779	$ -	$ 244,779
Amortization	-	419,621	-	419,621
Balance, August 31, 2021	-	664,400	-	664,400
Amortization	-	419,621	-	419,621
Balance, August 31, 2022	-	1,084,021	-	1,084,021
Net book value				
Balance, August 31, 2021	$ 140,628	$ 1,433,705	$ 23,281	$ 1,597,614
Balance, August 31, 2022	$ 140,628	$ 1,014,084	$ 23,281	$ 1,177,993

Amortization on the intellectual property acquired from 6WIC is calculated using the straight-line method over the estimated life of the intellectual property of 5 years. Amortization on the intellectual property acquired from Geolithic will commence once the technology is available for commercial production.

13. Goodwill

The Company's goodwill represents the excess of the purchase paid for the acquisition of 6WIC over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. The Company has determined that its CGU with goodwill is 6WIC and the IXOS project only. The annual impairment test date is August 31.

The Company's annual goodwill impairment analysis performed during the fourth quarter of fiscal 2021 included a quantitative analysis of the 6WIC CGU. The impairment analysis led to the conclusion that the recoverable amount of the 6WIC CGU was less than their carrying values, primarily driven by current market conditions and delays in progressing projects due to COVID. Accordingly, the carrying value of the goodwill was impaired by $7,188,856.

The Company's annual goodwill impairment analysis performed during the fourth quarter of fiscal 2022 included a quantitative analysis of the 6WIC CGU. The impairment analysis led to the conclusion that the recoverable amount of the 6WIC CGU was less than their carrying values, primarily driven by current market conditions and delays in progressing projects due to COVID. Accordingly, the carrying value of the goodwill was impaired by $1,050,000.

For the purpose of impairment testing, the carrying amount of the asset or CGU is compared to the recoverable amount of the asset or CGU. The recoverable amount of the 6WIC CGU was determined based on fair value less costs of disposal, covering a five-year forecast, followed by an extrapolation of expected cash flows for the terminal period. The present value of the expected cash flows of the CGU were determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the CGU. The fair value calculation is a Level 3 in the fair value hierarchy. Key assumptions utilized in the determination of the recoverable amount, and to which the recoverable amount is most sensitive, included projected growth in revenue which varies in the five-year period and anticipated gross margin rate of 60% throughout the projection period. Projected cash flows were discounted using a discount rate of 23.8% (2021 - 23.8%).

Management's key assumptions include stable gross profit margins, based on past experience in the market. The Company's management believes that this is the best available input for forecasting. Cash flow projections reflect stable gross profit margins achieved immediately before the forecast period. No expected efficiency improvements have been taken into account and prices and wages reflect forecasts of inflation for the industry. There is significant estimation uncertainty involved in the determination of the recoverable amount of the CGU.

(Expressed in Canadian dollars)

13. Goodwill (continued)

The following table reconciles the changes attributable to goodwill for the years ended August 31, 2022, and 2021:

Balance, August 31, 2020	$ 8,238,856
Impairment	(7,188,856)
Balance, August 31, 2021	$ 1,050,000
Impairment	(1,050,000)
Balance, August 31, 2022	$ -

14. Lease liability

The Company recognized a lease obligation with respect to 6WIC's office lease with an opening balance of $347,354. This amount represents the present value of future minimum lease payments using a discount rate of 15%. The following table reconciles the changes attributable to the Company's lease liability:

	August 31, 2021	Additions	Interest accretion	Interest payments	Principal payments	Foreign exchange	Current portion	August 31, 2022
Office lease liability	$ 174,320	-	17,630	(17,630)	(126,724)	1,419	(49,015)	$ -

	August 31, 2020	Additions	Interest accretion	Interest payments	Principal payments	Foreign exchange	Current portion	August 31, 2021
Office lease liability	$ 291,193	-	34,652	(34,652)	(106,685)	(10,188)	(127,752)	$ 46,568

15. Convertible debentures

August 22, 2020 and August 31, 2020 Issuance

On August 22 and 31, 2020, the Company closed the sale of 742 unsecured convertible debenture units for gross proceeds of $682,000 and settlement of outstanding balances of $60,000. Each debenture unit consists of: (i) $1,000 principal amount and (ii) 1,000 common share purchase warrants. At the Company's election, interest on the convertible debentures can be paid in either cash or common shares of the Company at a rate of 7.5% if paid in cash or 10% if paid in common shares. Interest is payable semi-annually on the last day of June and December of each year, commencing on December 31, 2020. At any time prior to maturity, the debentures can be converted to units at the option of the holders at a conversion price of $0.35 per unit. Each unit consists of one common share of the Company plus one common share purchase warrant, with each warrant giving the holder the right to acquire one common share of the Company at a strike price of $0.55. The common share purchase warrants to be issued upon the conversion of the debt will expire on the maturity date of the convertible debentures.

Each debenture holder was paid a one-time commitment fee comprised of commitment warrants. Each commitment warrant gives the holder the right to acquire one common share of the Company with each whole warrant giving the holder the right to acquire one common share of the Company at a strike price of $0.35 per common share for a period of 24 months. The debentures carry a term of three years. During the third year of the term, the Company shall have the option to extend the term by up to one additional year. If extended, the Company shall pay a cash extension fee to the holders of convertible debentures in the amount of six months of interest (at the rate of 7.5%per annum). The Company issued a total of 111,300 commitment warrants.

In the event that the Company's common shares trade at a closing price of $0.75 or more on the Canadian Securities Exchange for 10 consecutive trading days, the outstanding principal amount of each convertible debenture will automatically be converted into units.

For accounting purposes, the convertible debentures are compound instruments and the proceeds are required to be separated into their liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the convertible debentures assuming a 15% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component was determined at the time of issue as the difference between the face value of the convertible debentures and the fair value of the liability component. The fair value of the liability component is $487,877 and the equity component is $242,453 of which $110,052 was allocated to reserves to account for the warrants contained within the units.

The commitment warrants have a combined fair value of $10,881 estimated using the Black-Scholes option pricing model with a volatility of 98%, risk-free interest rate of 0.28%, dividend rate of 0% and expected life of 2 years.

15. Convertible debentures (continued)

In connection with the closing of the convertible debentures the Company also issued a total of 148,400 finders' warrants in two tranches. The first tranche of finders warrants issued has a fair value of $17,532 estimated using the Black-Scholes option pricing model with a volatility of 98%, risk-free interest rate of 0.28%, dividend rate of 0% and expected life of 3 years. The second tranche of finders' warrants issued had a fair value of $5,661 estimated using the Black-Scholes option pricing model with a volatility of 97%, risk-free interest rate of 0.29%, dividend rate of 0% and expected life of 3 years.

Transaction costs totaled $34,074, of which $22,404 was allocated to the liability component, and offset the carrying value and are amortized using the effective interest method as finance costs over the expected life of the debentures. Transaction costs of $6,373 was charged to the equity component and $5,297 was charged to the warrant component.

December 18, 2020, December 21, 2020, December 22, 2020 and December 30, 2020 Issuance

On December 18, 21, 22, and 30 2020, the Company closed the sale of 1,523 unsecured convertible debenture units for gross proceeds of $1,113,000 and settlement of outstanding balances of $60,000 and $350,000 to settle the remaining amount owed to Affinity Nanotechnology Inc. Each debenture unit consists of: (i) $1,000 principal amount and (ii) 1,000 common share purchase warrants. At the Company's election interest on the convertible debentures can be paid in either cash or common shares of the Company at a rate of 7.5% if paid in cash or 10% if paid in common shares. Interest is payable semi-annually on the last day of June and December of year commencing on June 30, 2021. At any time prior to maturity, the debentures can be converted to units at the option of the holders at a conversion price of $0.275 per unit. Each unit consist of one common share of the Company plus one common share purchase warrant, with each warrant giving the holder the right to acquire one common share of the Company at a strike price of $0.55. The common share purchase warrants to be issued upon the conversion of the debt will expire on the maturity date of the convertible debentures.

Each debenture holder was paid a one-time commitment fee comprised of commitment warrants. Each commitment warrant gives the holder the right to acquire one common share of the Company with each whole warrant giving the holder the right to acquire one common share of the Company at a strike price of $0.55 per common share for a period of 24 months. The debentures carry a term of three years. During the third year of the term, the Company shall have the option to extend the term by up to one additional year. If extended, the Company shall pay a cash extension fee to the holders of convertible debentures in the amount of nine months of interest (at the rate of 7.5%per annum). The Company issued a total of 228,450 commitment warrants.

In the event that the Company's common shares trade at a closing price of $0.65 or more on the Canadian Securities Exchange for 10 consecutive trading days, the outstanding principal amount of each convertible debenture will automatically be converted into units.

For accounting purposes, the convertible debentures are compound instruments and the proceeds are required to be separated into their liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the convertible debentures assuming a 15% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component was determined at the time of issue as the difference between the face value of the convertible debentures and the fair value of the liability component. The fair value of the liability component is $963,664 and the equity component is $501,949 of which $217,171 was allocated to reserves to account for the warrants contained within the units.

The commitment warrants have a combined fair value of $31,634 estimated using the Black-Scholes option pricing model with a volatility of 110.17%, risk-free interest rate ranging from 0.20% to 0.24%, dividend rate of 0% and expected life of 2 years.

In connection with the closing of the convertible debentures the Company also issued a total of 141,272 finders' warrants in two tranches. The finder's warrants issued has a fair value of $25,753 estimated using the Black-Scholes option pricing model with a volatility of 94.47%, risk-free interest rate of 0.25%, dividend rate of 0% and expected life of 3 years.

Transaction costs totaled $57,387, of which $37,733 was allocated to the liability component, and offset the carrying value and are amortized using the effective interest method as finance costs over the expected life of the debentures. Transaction costs of $11,151 was charged to the equity component and $8,503 was charged to the warrant component.

(Expressed in Canadian dollars)

15. Convertible debentures (continued)

March 29, 2022 Issuance

On March 29, 2022, the Company closed the sale of 1,104 unsecured convertible debenture units for gross proceeds of $1,140,000. Each debenture unit consists of: (i) $1,000 principal amount and (ii) 1,000 common share purchase warrants. At the Company's election interest on the convertible debentures can be paid in either cash or common shares of the Company at a rate of 7.5% if paid in cash or 10% if paid in common shares. Interest is payable semi-annually on the last day of June and December of year commencing on June 30, 2022. At any time prior to maturity, the debentures can be converted to units at the option of the holders at a conversion price of $0.275 per unit. Each unit consist of one common share of the Company plus one common share purchase warrant, with each warrant giving the holder the right to acquire one common share of the Company at a strike price of $0.55. The common share purchase warrants to be issued upon the conversion of the debt will expire on the maturity date of the convertible debentures.

Interest and accretion expense for the year ended August 31, 2022, was $267,681 (2021 - $181,923). The following table reconciles the changes attributable to the Company's convertible debentures:

	August 31,2022	August 31,2021
Opening balance	$ 1,612,023	$ 466,436
Additions	202,713	1,523,000
Warrant component	-	(217,171)
Equity component	(83,997)	(284,778)
Transaction costs	-	(57,387)
Interest and accretion	267,681	181,923
Closing balance	$ 1,998,420	$ 1,612,023

During the year the Company settled certain interest owing on the convertible of $226,483 by the issuance of 761,598 common shares of the Company with a fair value of $95,671 resulting in a gain on share interest payment recorded on the consolidate statement of loss for $129,588 (2021: $nil).

16. Short term loan

Orca Holdings, LLC

On June 16, 2022, the Company secured a bridge loan in the amount of $291,509 (US$225,000) from Orca Holdings, LLC. The bridge loan is interest free and was repayable on July 22, 2022. The loan was extended to September 30, 2022.

On February 23, 2022, the Company secured a bridge loan in the amount of $254,575 (US$200,000) from Orca Holdings, LLC. The bridge loan is interest free and is repayable on April 4, 2022. On April 19, 2022, the Company repaid the loan.

On February 19, 2021, the Company secured a bridge loan in the amount of $155,198 from Orca Holdings, LLC. The bridge loan is interest free and is repayable on April 30, 2021. On March 31, 2021, the Company repaid $150,000 and $5,198 was repaid on August 10, 2021.

In connection with the above and the amendments, the Company issues a total of 900,000 options. The value of these options were determined using the Black Scholes model with the key inputs included in note 21 and expensed in the consolidated statement of loss.

Promissory Note

On June 2, 2022, a shareholder and Director of the Company advanced the Company $16,133 (US$13,100). The Note is interest free and repayable on July 31, 2022. On August 1, 2022, the note was extended to December 31, 2022 and bears interest at 10% per annum.

Shareholder Loans

On June 1, 2022, a shareholder advanced the Company $10,000, interest free. The loan is interest free with no stated repayment date.

On August 30, 2022 another Shareholder advanced the Company $15,000. The loan is interest fee with no stated repayment date.

(Expressed in Canadian dollars)

16. Short term loans (continued)

Nova Scotia COVID-19 Response Council ("NSCRC")

During fiscal 2021, the Company received a $250,000 contribution from NSCRC for the development of the Company's AMIP technology. As at August 31, 2021, the Company has incurred eligible costs and completed the project as required under the agreement; accordingly, the Company offset $250,000 in research and development costs against the contribution amount.

17. Deferred salary loans

On January 31, 2020, the Company assumed deferred salary loans of $1,817,098 ($1,374,133 USD) for certain current and former employees of 6WIC. Pursuant to the terms of Merger Transaction the deferred salary loans will accrue interest at a rate of 0.667% compounded monthly and be repaid over 24 months at various payment amounts.

On April 8, 2021, the Company re-negotiated debt owing in the amount of $420,421 ($333,218 USD). A total of $210,211 ($166,609 USD) has been settled by the issuance of 667,335 common shares of the Company with a fair value of $293,628 resulting in a loss on settlement of $93,427 (including a one-time charge of $10,010. A total of $107,796 ($83,304 USD) has been repaid. The remaining amount owing of will accrue interest at a rate of 0.667% compounded monthly and is to be repaid in September 2022.

On April 30, 2021, the Company re-negotiated debt owing in the amount of $207,119 ($168,451 USD). The Company extended the maturity date of the debt from January 31, 2021, to October 31, 2025. The balance will accrue interest a rate of 0.667% compounded monthly.

On July 2, 2021, the Company settled debt owing in the amount of $1,043,416 ($842,028 USD) by the issuance of 3,764,386 common shares of the Company with a fair value of $1,091,672.

The following is a loan continuity schedule for the deferred salary loans:

	August 31, 2022	August 31, 2021
Opening balance	$ 309,025	$ 1,747,052
Principal and interest repayments	(74,275)	(239,822)
Foreign exchange	10,503	(67,838)
Interest	22,666	126,259
Settled	-	(1,256,626)
Current portion	(141,720)	(42,203)
Closing balance	$ 126,198	$ 266,822

18. Warrant Liability

In connection with the transaction details in note 10 and completed during the year ended August 31, 2022, the Company issued a total of 6,100,000 warrants exercisable at a price of $0.175 per share for the first two years, and at $0.20 in the third year. These warrants were assigned a relative fair value of $108,092 using the Monte Carlo simulation model. As at August 31, 2022, there were 6,100,000 of these warrants remaining. (note 19a)

In addition, the Company also issued a total of 4,600,368 compensation warrants exercisable at a price of CDN$0.175 per share for the first two years, and at $0.20 in the third year. These warrants were assigned a fair value of $81,518 using the Monte Carlo Simulation model. As at August 31, 2022, there were 4,600,368 of these warrants remaining. (note 19e).

The fair value allocated to the remaining warrants at August 31, 2022 was $135,000 (2021 - $nil) and is recorded as a derivative financial liability as these warrants are exercisable at different rates over the term of the warrants. The change in fair value resulted in a gain and is recognized in the consolidated statement of loss for the year ended August 31, 2022. The key inputs are included in note 9.

19. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

19. Share capital (continued)

(a) Issued share capital

As at August 31, 2022 there were 135,429,586 issued and fully paid common shares and nil preferred shares issued. On August 31, 2021 there were 117,307,988 issued and fully paid common shares and nil preferred shares issued.

Changes in share capital during the year ended August 31, 2022

On December 31, 2021, the Company paid interest on the Company's convertible debentures through the issuance of 383,943 shares as settlement in full of interest owing on that date, in accordance with the terms of the convertible debentures.

On December 23, 2021, the Company issued 5,160,000 Units at a price of $0.20 per unit for gross proceeds totaling $1,032,000. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at an exercise price of $0.35 for a period of 24 months after the date hereof. In connection with the financing, the Company paid finders fees in the aggregate amount of $40,490 and issued a total of 201,950 finder's warrants to certain arm's-length finders. Each finder's warrant entitles the holder to purchase one common share at an exercise price of $0.25 per common share for a period of 24 months after the date hereof. The fair value of the warrants is $18,351, estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: annualized volatility of 125.98%, risk-free interest rate of 0.98%, expected life of 2 years and a dividend rate of 0%.

On March 29, 2022, the Company issued 12,200,000 Units at a price of $0.12 per unit for gross proceeds totaling $2.568 million. Each Unit consists of one common share and one-half common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at an exercise price of $0.175 in Year 1 and 2 and $0.20 in Year 3 after the date issuance. The shares were put into escrow as was the consideration for the shares. Monthly there will be a release of shares and cash as defined in the sharing agreement. (note 9). The fair value of the warrants is $630,120, estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: annualized volatility of 107.72%, risk-free interest rate of 2.34%, expected life of 3 years and a dividend rate of 0%. (note 18)

On June 30, 2022, the Company paid interest on the Company's convertible debentures through the issuance of 377,655 shares as settlement in full of interest owing on that date, in accordance with the terms of the convertible debentures.

The Company issued 761,598 common shares in total for the year for settlement of interest owing on its convertible debentures for a total fair value of $95,671. The Company recognized a gain on the settlement of interest of $129,588 (note 15).

Changes in share capital during the year ended August 31, 2021

On September 1, 2020, the Company closed a tranche of its previously announced non-brokered private placement of equity units in the aggregate amount of $483,564. A residual value of $16,119 was assigned to warrants issued. Pursuant to the closing of the financing, the Company issued 1,611,880 units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant giving the holder the right to purchase one additional common share at an exercise price of $0.50 for a period of 24 months.

On September 21, 2020, the Company closed a further tranche of its previously announced non-brokered private placement of equity units in the aggregate amount of $1,150,100. Pursuant to the closing of the financing, the Company issued 3,833,667 units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant giving the holder the right to purchase one additional common share at an exercise price of $0.50 for a period of 24 months. The Company paid finders' fees in the amount of $44,037 and issued a total of 146,790 finders' warrants in connection with the closing of the financing. The finders' warrants give the holder the right to purchase one common share at an exercise price of $0.30 per share for a period of 24 months after closing. The fair value of the warrants is $25,719, estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: annualized volatility of 105.41%, risk-free interest rate of 0.26%, expected life of 2 years and a dividend rate of 0%.

On October 16, 2020, the Company implemented an employee equity participation plan. The plan, which is voluntary, permits employees to receive compensation in the form of common shares of the Company in lieu of a portion, or all, of the employee's cash compensation. The Company has issued a total of 2,016,240 common shares at a price of $0.385 per share representing significant participation by management and key employees. The Company recorded $754,692 (2019 - $Nil) in management and consulting expense and $21,560 in research and development expense (2019 - $Nil) for share compensation earned during the period.

(Expressed in Canadian dollars)

19. Share capital (continued)

On November 18, 2020, the Company closed a further tranche of the previously announced non-brokered private placement in the amount of $397,600 by way of issuing 1,325,334 units at a price of $0.30 per unit. A residual value of $46,387 was assigned to warrants issued. Each unit consists of one common share and one common share purchase warrant, with each warrant giving the holder the right to purchase one additional common share at an exercise price of $0.50 per common share for a period of 24 months. The Company paid finders' fees in the amount of $5,670 and issued a total of 18,900 finders' warrants in connection with the closing of the tranche of the non-brokered private placement. The finders' warrants give the holder the right to purchase one common share at an exercise price of $0.30 per share for a period of 24 months after closing. The fair value of the warrants is $2,663, estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: annualized volatility of 108.73%, risk-free interest rate of 0.27%, expected life of 2 years and a dividend rate of 0%.

On December 31, 2020, the Company issued 75,479 common shares to settle interest on convertible debentures of $26,416.

On January 31, 2021, the Company settled convertible promissory note in the amount of $351,410 ($276,178 USD) through the issuance of 1,301,250 common shares.

On February 23, 2021, the Company received $40,000 in connection with the exercise of 100,000 stock options.

On March 31, 2021, the Company closed a non-brokered private placement of units. Pursuant to the financing, the Company issued 20 million units at a price of $0.30 per unit for gross proceeds of $6,000,000. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at an exercise price of $0.50 for a period of 24 months after closing. In connection with the financing, the Company paid finders’ fees in the aggregate amount of $344,722 and issued a total of 1,099,350 finders’ warrants to certain arm’s-length finders. Each finder’s warrant entitles the holder to purchase one common share at an exercise price of $0.375 per common share for a period of 24 months after closing. The fair value of the warrants is $274,844, estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: annualized volatility of 116.71%, risk-free interest rate of 0.22%, expected life of 2 years and a dividend rate of 0%.

On April 8, 2021, the Company re-negotiated debt owing in the amount of $420,421 ($333,218 USD). A total of $210,211 ($166,609 USD) has been settled by the issuance of 667,335 common shares of the Company with a fair value of $293,628 as further described in note 19.

On April 13, 2021, the Company and acquired 100% of the outstanding common shares of Geolithic and agreed to settle the remaining amount owing of $215,000 USD through the issuance of 800,000 common shares of the Company to TriLateral Energy, LLC with a fair value of $348,000 as further described in note 9.

On June 30, 2021, the Company issued 392,668 common shares to settle interest on convertible debentures of $105,797.

On July 2, 2021, the Company issued 4,849,764 common shares at a value of $1,406,431 to settle $1,454,930 of debt owing to senior executives of the Company. The settlement included $1,043,416 ($842,028 USD) of deferred salary loans as further described in note 19. The remaining amount of $411,514 was to settle amounts owing to the senior executives of the Company which were included in accounts payable and accrued liabilities. These shares are subject to a hold agreement whereby ¼ of the shares are released every three months starting September 2021.

During the year ended August 31, 2021, 100,000 deferred share units were settled at $0.38 per common share and 300,000 deferred share units were forfeited. No deferred share units were exercised or forfeited during 2020.

(b) Warrants

The continuity schedule of share purchase warrants is as follows:

	Number of share purchase warrants	Weighted Average Exercise Price
Balance, August 31, 2020	6,940,242	$0.80
Granted	28,405,643	$0.49
Exercised	(1,777,778)	$0.75
Balance, August 31, 2021	33,568,107	$0.54
Granted	16,062,318	$0.23
Expired	(3,959,340)	$0.79
Balance, August 31, 2022	45,671,085	$0.41

(Expressed in Canadian dollars)

19. Share capital (continued)

A summary of the Company's outstanding and exercisable warrants as at the end of the year is as follows:

Weighted average exercise price	Remaining contractual life	Number of warrants outstanding	Expiry Date
$0.50	0.00 years	1,611,880	September 1, 2022
$0.50	0.06 years	3,833,667	September 21, 2022
$0.30	0.06 years	146,790	September 21, 2022
$0.50	0.22 years	1,325,334	November 18, 2022
$0.30	0.22 years	18,900	November 18, 2022
$0.55	0.30 years	92,250	December 18, 2022
$0.55	0.31 years	26,250	December 21, 2022
$0.55	0.31 years	57,450	December 22, 2022
$0.55	0.33 years	52,500	December 30, 2022
$0.90	0.42 years	110,117	January 31, 2023
$0.975	0.42 years	944,607	January 31, 2023
$0.50	0.58 years	20,000,000	March 31, 2023
$0.375	0.58 years	1,099,350	March 31, 2023
$0.35	0.97 years	112,000	August 20, 2023
$0.35	1.00 years	36,400	August 31, 2023
$0.35	1.30 years	141,272	December 18, 2023
$0.35	1.31 years	5,160,000	December 23, 2023
$0.25	1.31 years	201,950	December 23, 2023
$0.175	2.58 years	6,100,000	March 29, 2025
$0.175	2.58 years	4,600,368	March 29, 2025
$0.41	1.06 years	45,671,085	

(c) Stock options

The Company has adopted a "rolling" stock option plan (the "Plan"), pursuant to which a maximum of 10% of the issued and outstanding common shares of the Company, less any outstanding stock options previously granted, will be reserved for issuance as options and will be granted at the discretion of the Board of Directors to eligible optionees under the Plan. Stock options granted vest at the discretion of the Board of Directors. The options can be granted for a maximum term of ten years.

On October 16, 2020, the Company granted a total of 1,150,000 options to directors, employees, advisory board members and consultants. The options are exercisable at a price of $0.35 per share and will expire on October 16, 2025. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $389,407 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 0.34%, expected dividend yield 0%, share price $0.38, exercise price $0.35, volatility 141.17%, and expected life 5 years.

On March 15, 2021, the Company granted a total of 500,000 options to directors of the Company. The options are exercisable at a price of $0.46 per share and will expire on March 15, 2026. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $177,900 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 1.02%, expected dividend yield 0%, share price $0.425, exercise price $0.46, volatility 125.51%, and expected life 5 years.

On July 2, 2021, the Company granted a total of 525,000 options to employees of the Company. The options are exercisable at a price of $0.30 per share and will expire on July 2, 2026. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $150,103 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 0.96%, expected dividend yield 0%, share price $0.29, exercise price $0.30, volatility 118.61%, and expected life 5 years.

On May 2, 2022, the Company granted a total of 1,050,000 options to employees, consultants and a director of the Company. The options are exercisable at a price of $0.15 per share and will expire on May 2, 2027. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $66,596 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 2.81%, expected dividend yield 0%, share price $0.09, exercise price $0.15, volatility 103.53%, and expected life 5 years.

(Expressed in Canadian dollars)

19. Share capital (continued)

On June 10, 2022, the Company granted a total of 900,000 options to employees and directors of the Company. The options are exercisable at a price of $0.15 per share and will expire on June 10, 2027. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $41,625 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 3.32%, expected dividend yield 0%, share price $0.07, exercise price $0.15, volatility 101.46%, and expected life 5 years.

On June 21, 2022, the Company granted a total of 150,000 options to employees of the Company. The options are exercisable at a price of $0.15 per share and will expire on June 21, 2027. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $6,281 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 3.40%, expected dividend yield 0%, share price $0.065, exercise price $0.15, volatility 100.49%, and expected life 5 years.

On June 21, 2022, the Company granted a total of 175,000 options to employees of the Company. The options are exercisable at a price of $0.10 per share and will expire on June 21, 2027. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $8,000 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 3.40%, expected dividend yield 0%, share price $0.065, exercise price $0.10, volatility 100.49%, and expected life 5 years.

On June 21, 2022, the Company granted a total of 400,000 options to a consultant of the Company. The options are exercisable at a price of $0.09 per share and will expire on June 21, 2027. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $18,664 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 3.40%, expected dividend yield 0%, share price $0.065, exercise price $0.09, volatility 100.49%, and expected life 5 years.

On August 19, 2022, the Company granted a total of 150,000 options to a director of the Company. The options are exercisable at a price of $0.10 per share and will expire on August 19, 2027. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $4,903 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 3.13%, expected dividend yield 0%, share price $0.05, exercise price $0.10, volatility 98.86%, and expected life 5 years.

On August 19, 2022, the Company granted a total of 400,000 options to a consultant of the Company. The options are exercisable at a price of $0.09 per share and will expire on August 19, 2027. One-third of the options will vest after six months, with a further third vesting every six months thereafter. These options were valued at $13,391 using the Black-Scholes Method based on the following weighted average assumptions: risk-free interest rate 3.13%, expected dividend yield 0%, share price $0.05, exercise price $0.09, volatility 98.86%, and expected life 5 years.

During the year ended August 31, 2022, the Company recognized $479,716 (2021 - $1,100,941) in share-based compensation related to stock options and deferred share units vested during the year.

The continuity schedule of stock options is as follows:

	Number of stock options	Weighted Average Exercise Price ($)
Balance, August 31, 2020	4,875,000	$0.56
Granted	2,175,000	$0.36
Exercised	(100,000)	$0.40
Cancelled	(210,000)	$0.75
Balance, August 31, 2021	6,740,000	$0.49
Granted	3,225,000	$0.13
Cancelled	(1,540,000)	$0.43
Balance, August 31, 2022	8,425,000	$0.36

(Expressed in Canadian dollars)

19. Share capital (continued)

A summary of the Company's outstanding and exercisable options at the end of the year is as follows:

Weighted average exercise price	Remaining contractual life	Number of options outstanding	Number of options exercisable	Expiry Date
$0.40	1.14 years	1,390,000	1,390,000	October 22, 2023
$0.75	2.21 years	900,000	900,000	November 15, 2024
$0.75	2.37 years	935,000	935,000	January 13, 2025
$0.35	3.13 years	950,000	950,000	October 16, 2025
$0.46	3.54 years	500,000	333,333	March 15, 2026
$0.30	3.84 years	525,000	350,000	July 2, 2026
$0.15	4.67 years	1,050,000	-	May 2, 2027
$0.15	4.78 years	900,000	-	June 10, 2027
$0.15	4.81 years	150,000	-	June 21, 2027
$0.10	4.81 years	175,000	-	June 21, 2027
$0.09	4.81 years	400,000	-	June 21, 2027
$0.10	4.97 years	150,000	-	August 19, 2027
$0.09	4.97 years	400,000	-	August 19, 2027
$0.36	3.32 years	8,425,000	4,858,333	

(d) Deferred shares units

During the year ended August 31, 2020, the Company adopted an award plan (the "DSU Plan"), which permits the grant of deferred share units of the Company ("DSU's") whereby the maximum number of common shares reserved for the issue under the DSU Plan shall not exceed 2,000,000 common shares of the Company. In addition, the aggregate number of common shares issuable pursuant to the DSU Plan combined with the Company's Stock Option Plan, shall not exceed 10% of the Company's outstanding shares. In 2022 the Company approved an increase in the number of common shares to not exceed 4,000,000.

The DSU's vest 25% immediately on the award date, 25% on the one-year anniversary of the award date, 25% on the two-year anniversary of the award date and 25% on the three-year anniversary of the award date. Early vesting is provided in the event of termination without cause, resignation at the request of the Company, death, or on the occurrence of a change of control of the Company.

On October 16, 2020, the Company issued 2,000,000 DSUs to a director and officers of the Company with a total value of $760,000. During the year ended August 31, 2022, the Company recognized $145,823 (2021 - $476,874) in share-based compensation expense for DSUs which have vested during the year. During the year ended August 31, 2022, 400,000 (2021 – 500,000) DSU's have vested.

During the year ended August 31, 2021, 100,000 DSUs were settled at $0.38 per share and 300,000 DSUs were forfeited.

On May 2, 2022, the Company issued 760,000 DSUs to directors and officers of the Company with a total value of $68,400. During the year ended August 31, 2022, the Company recognized $31,023 (2021 - $nil) in share-based compensation expense for DSUs which have vested during the year. The DSUs awarded to the CEO vested 50% on issuance, and the balance will vest 50% on the first specified event and 50% on the second specified event. During the year ended August 31, 2022, 290,000 (2021 – nil) of these DSU's have vested.

No DSUs were exercised or forfeited during the year ended August 31, 2022. At August 31, 2022, there are 2,360,000 DSUs issued.

(e) Escrowed shares

As at August 31, 2022, 2,546,895 (2021 – 7,640,691) common shares of the Company are subject to an escrow agreement pursuant to National Instrument 46-201 *Escrow for Initial Public Offerings.* A total of 15% of the shares will be released from escrow every 6 months until all have been released.

(Expressed in Canadian dollars)

19. Share capital (continued)

(f) Convertible notes

On March 29, 2022, 1,104 Convertible Loan Notes in the principal amount of $1,000 per note, bearing an interest rate of 1% per annum. Each note is convertible into 8,333 common shares for a period of 36 months from the date of issuance. Conversion of the notes is limited to only when shares issued combined with the then current holdings of the holder will not take the holder above 9.9% ownership of the Company. Since the notes are to be settled in shares, the units are treated as equity. In addition, 4,600,368 Common share purchase warrants were issued, each warrant entitling the holder to purchase one additional common share at an exercise price of $0.175 in Year 1 and 2 and $0.20 in Year 3 after the date issuance. The fair value of the warrants is $475,211, estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: annualized volatility of 107.72%, risk-free interest rate of 2.34%, expected life of 3 years and a dividend rate of 0%. (note 15)

20. Income taxes

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

	2022	2021
Loss for the year	$ (8,830,991)	$ (16,236,245)
Expected income tax (recovery)	(2,561,000)	(4,709,000)
Change in statutory, foreign tax, foreign exchange rates and other	116,000	104,000
Share issue cost	(75,000)	-
Impact on acquisition of subsidiary	-	-
Permanent differences	517,000	385,000
Adjustment to prior year provision versus statutory tax return	2,153,000	(151,000)
Change in unrecognized deductible temporary differences	(151,000)	4,371,000
Total income tax expense (recovery)	**$ -**	**$ -**

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2022	2021
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	$ 1,320,000	$ 1,320,000
Property and equipment	164,000	143,000
Other temporary differences	(8,000)	4,000
Debt with accretion	(78,000)	-
Intangible assets	2,000	-
Share issue costs	336,000	395,000
Allowable capital losses	98,000	82,000
Non-capital losses available for future periods	9,664,000	9,705,000
Total deferred tax asset (liability)	$ 11,498,000	$ 11,649,000
Unrecognized deferred tax assets	(11,498,000)	(11,649,000)
Net deferred tax assets	**$ -**	**$ -**

(Expressed in Canadian dollars)

20. Income taxes (continued)

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:

	2022	**Expiry Date Range**	**2021**	**Expiry Date Range**
Temporary Differences				
Exploration and evaluation assets	$ 4,508,000	No expiry date	$ 4,508,000	No expiry date
Investment tax credit	18,000	2030 to 2034	18,000	2030 to 2034
Property and equipment	382,000	No expiry date	326,000	No expiry date
Other temporary differences	(39,000)	No expiry date	17,000	No expiry date
Share issue costs	1,159,000	2023 to 2026	1,361,000	2022 to 2025
Allowable capital losses	337,000	No expiry date	282,000	No expiry date
Non-capital losses available for future periods	38,660,000	See below	37,911,000	See below
Canada	19,043,000	2027 to 2042	22,384,00	2027 to 2041
USA	19,617,000	2034 to indefinite	15,527,000	2034 to indefinite

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

21. Related party transactions

The Company entered into the following transactions with key management personnel, being those persons determined as having authority and responsibility for planning, directing and controlling the activities of the Company. Key management includes the Company's board of directors and executive officers. A summary of transactions with key management and significant shareholders are summarized as follows:

	Year Ended August 31, 2022	Year Ended August 31, 2021
Management and consulting fees	$ 1,089,430	$ 1,189,947
Director's fees and consulting fees paid to directors	65,000	310,741
Share-based payments	298,445	673,760
Deferred salary loan payments	-	1,042,975
Total	$1,452,875	$ 3,217,423

(a) During the year ended August 31, 2022, the Company incurred $375,000 (2021 – $452,000) in management and consulting expense to the CEO of the Company pursuant to CEO services provided. The amount incurred included a one-time signing bonus, retention bonus and relocation expenses of $75,000 (2021 – $125,000). The Company recorded $97,070 (2021 - $225,516) in share-based compensation representing the fair value of options and DSU's that were granted to the CEO which have vested during the year. At the year ended August 31, 2022, amounts due to the CEO for payroll are included in accounts payable and accrued liabilities which total $262,500 (2021- $Nil). In addition, the CEO advanced to the Company a net amount of $15,315 (2021 – Nil), which is included in accounts payable and accrued liabilities. Pursuant to the deferred salary loan agreements, as further described in note 19, the CEO received payment of $Nil (2021 – $554,253) against the balance owing.

(b) During the year ended August 31, 2022, the Company incurred $77,261 (2021 - $Nil) in management expense to the CFO of the Company pursuant to CFO services provided of which $38,873 (2021 - $Nil) are included in accrued liabilities and accounts payable as at August 31, 2022. The Company recorded $17,243 (2021 - $Nil) in share-based compensation representing the fair value of options and DSU's that were granted to the CFO which have vested during the year.

(c) During the year ended August 31, 2022, the Company incurred $58,750 (2021 - $149,224) in director's fees and management and consulting expense to the former CFO of the Company pursuant to CFO and Director services provided of which $14,687 (2021 - $Nil) are included in accrued liabilities and accounts payable as at August 31, 2022. The Company recorded $3,079 (2021 - $13,871) in share-based compensation representing the fair value of options that were granted to the former CFO which have vested during the year.

(d) During the year ended August 31, 2022, the Company incurred $Nil (2021 - $121,050) in director's fees and management and consulting expense to the former CFO of the Company pursuant to CFO and Director services provided of which $Nil (2021 - $Nil) are included in accrued liabilities and accounts payable as at August 31, 2022. The amount included a one-time bonus of $Nil (2021 - $15,000). The Company recorded $Nil (2021 - $51,518) in share-based compensation representing the fair value of options and DSU's that were granted to the former CFO which have vested during the year.

(Expressed in Canadian dollars)

21. Related party transactions (continued)

(e) During the year ended August 31, 2022, the Company incurred $279,783 (2021 - $309,280) in management expense to the COO of the Company pursuant to COO services provided. The Company recorded $11,584 (2021 - $30,606) in share-based compensation representing the fair value of options and DSU's that were granted to the COO which have vested during the year. At August 31, 2022, the Company owed the COO $248,551 (2021 - $14,047) for unpaid payroll.

(f) During the year ended August 31, 2022, the Company incurred $270,636 (2021 – $313,034) in management expense to the Executive Vice President ("EVP") of the Company for EVP services provided. The amount included a one-time signing and retention bonus of $75,000 (2021 - $78,227). The Company recorded $84,495 (2021 - $225,515) in share-based compensation representing the fair value of options and DSU's that were granted to the EVP which have vested during the year. Pursuant to the deferred salary loan agreements, as further described in note 19, the EVP received payment of $Nil (2021 – $488,722) against the balance owing. As at August 31, 2022 the Company owed the EVP $210,707 (2021 – $6,274) for unpaid payroll and retention bonus.

(g) During the year ended August 31, 2022, the Company incurred $Nil (2021 – $123,600) in director fees to former Directors of the Company. The Company recorded $Nil (2021 – 27,742) in share-based compensation representing the fair value of options granted to the former Directors of the Company which have vested during the year.

(h) During the year ended August 31, 2022, the Company incurred $93,000 (2021 – $32,500) in director fees and consulting fees to Directors of the Company. The Director's earned $65,000 (2021 – $32,500) in director's fees and $28,000 (2021 – $Nil) in management and consulting expense for consulting services provided. The Company recorded $84,974 (2021 – $98,992) in share-based compensation representing the fair value of options granted to Directors of the Company which have vested during the year. As at August 31, 2022 the Company owed the Director's $56,500 (2021 – $Nil) in unpaid Director's fees and $29,400 (2021 – $Nil) in unpaid consulting expense.

22. Supplemental disclosure with respect to cash flows

	Year Ended August 31, 2022 ($)	Year Ended August 31, 2021 ($)
Cash paid for income taxes	-	-
Cash paid for interest	22,666	98,530

Significant non-cash transactions during the year ended August 31, 2022 and 2021:

	Year Ended August 31, 2022 ($)	Year Ended August 31, 2021 ($)
Warrants issued as finders fees	18,351	303,227
Commitment and finder's warrants	-	57,387
Accounts payable settled with convertible debentures	-	60,000
Shares issued on the exercise of options	-	32,921
Shares issued as finder's fees	-	-

Refer to note 10 for further disclosure relating to non-cash transactions.

23. Financial risk management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Expressed in Canadian dollars)

23. Financial risk management (continued)

As at August 31, 2022 the carrying values of cash, receivables, accounts payable, lease liability, short term loan , and deferred salary loans approximate their fair values due to their short terms to maturity or market rates of interest.

The Company is exposed to Credit, Liquidity and Market risks from its use of financial instruments, as follows:

Credit risk

The Company's credit risk is primarily attributable to cash, receivables, and loans receivable. The Company's primary exposure to credit risk was on its loan's receivable. This risk was partially managed by a security interest in the assets of one of the borrowers. Cash consists of accounts at a reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances of up to $100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with a high-quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As at August 31, 2022, the Company had a cash balance of $12,659 (2021 - $1,068,054) to settle accounts payable and accrued liabilities of $2,101,597 (2021 - $448,172).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. See note 2 for further details.

As of August 31, 2022, these commitments required total payments, as follows:

	$
Payable not later than one year	1,083,652
Payable later than one year and not later than five years	1,649,198
Payable later than five years	-
	2,732,850

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest risk - The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at August 31, 2022, the Company didn't hold any investment-grade short-term deposit certificates. The Company does not have any debt that bears variable interest rates.

b) Foreign currency risk - Foreign currency risk is the risk that variation in exchange rates between the Canadian dollar and a foreign currency will affect the Company's operating and financial results. The Company has operations in the United States and as a result is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at August 31, 2022, the Company had a foreign currency net monetary liability position of $812,391 USD. Each 1% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain or loss of approximately $10,200.

c) Price risk - The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

24. Commitments

Office lease

In December of 2019, 6WIC entered into a lease for its office premises in Salt Lake City which expires in December 2022. As result of the Merger Transaction the Company has assumed this lease obligation (note 15).

Termination benefits

The Company has entered into employment agreements with three key executive officers of the Company in which the Company will pay each officer base salaries ranging from US$175,000 to US$220,000 and $300,000 per annum.

Should the Company terminate the employment agreements without cause a payment shall be made in a single lump sum to the executive ranging from six months to two times the amount of the executive's then annual total compensation package as of the date of the executive's termination. In addition, all unvested options that would have vested during the 12 months following termination will vest immediately on termination. The key executive officers will have a period of 30 days following termination in which to exercise those options.

25. Subsequent events

a. On September 13, 2022, the Company secured an additional bridge loan in the amount of $133,667 (US$100,000) from Orca Holdings, LLC. The loan is interest free and secured by the royalty fee earned on a future Affinity licensing agreement. The agreement extended all current loans from Orca maturity date to October 31, 2022. The maturity date was further extended to October 25, 2023 (Note 27d).

b. On October 25, 2022, the Company secured an additional bridge loan in the amount of $203,572 (US$150,000) from Orca Holdings, LLC. The bridge loan bears interest at 10% and is repayable on October 25, 2023.

c. On October 25, 2022, the Company granted a total of 500,000 options to a consultant of the Company that will expire on October 25, 2027. 250,000 of the options are exercisable at a price of $0.09 per share and another 250,000 are exercisable at a price of $0.05. One-third of the options will vest after six months, with a further third vesting every six months thereafter.

d. On On November 15, 2022, the Company secured a secured promissory note in the aggregate principal amount of up to USD$612,500. The Note bears interest at 10% per annum and matures on October 25, 2023. The Note will be secured against the assets of the Company pursuant to a general security agreement. The existing debt with this creditor will be consolidated under the Note and the creditor will make an additional US$125,000 available to the Company which was advanced on November 18, 2022. As additional consideration for the issuance of the Note, the Company issued 788,000 Shares to the creditor and all existing options held by this creditor will vest immediately