Eat Well Investment Group Inc.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

EAT WELL INVESTMENT GROUP INC. (*formerly Rockshield Capital Corp.*)
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CM3
Advisory

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Eat Well Investment Group, Inc.

Opinion on the Consolidated Financial Statements

We have audited the consolidated financial statements of Eat Well Investment Group, Inc. (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021 and the consolidated statements of net income and loss and comprehensive net income and loss, statement of changes in shareholder equity and cash flows for each of the years then ended, and the related notes (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

We have determined that matters described below to be the key audit matters to be communicated in our auditor's report.

CM3 Advisory

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750 B Street, Suite 1920
San Diego, CA 92101

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022 and 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Business combinations

Description of the matter

As discussed in Note 4 to the consolidated financial statements, on July 30, 2021, the Company acquired Belle Pulses and Sapientia in transactions accounted for as business combinations. At the time the Company was an investment entity. On August 1, 2022 the Company determined that it was no longer an investment entity, but an operating entity. As a result of this change the Company recorded these transactions as business combinations as of August 1, 2022.

We identified the evaluation of the acquisition-date fair value of the acquired assets and assumed liabilities as a key audit matter. A high degree of subjective auditor judgment was required to evaluate the key assumptions within the discounted cash flows model used to estimate the acquisition-date fair value of the assets and liabilities. There was limited observable market information related to these assumptions and the estimated acquisition-date fair value of the assets and liabilities were sensitive to minor changes in such amounts.

How We Addressed the Matter in our Audit

The following are the primary procedures we performed to address this key audit matter. We evaluated the Company's revenue growth rate and margin assumptions by comparing them to the pre-acquisition budget and the Company's historical financial results. We:

- We used a valuation specialist to assist with auditing the inputs and assumptions used in the calculating the fair value of the acquired assets and liabilities.
- Evaluated the discount rate used by comparing it to a discount rate that was developed using publicly available market data for comparable entities.
- Comparing the revenue growth rate, margin, to those of comparable entities
- Validated the mathematical accuracy of the Company's calculations.

Other information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
  that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
  effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

CM3 Advisory

Certified Public Accountants
San Diego, California
July 2, 2024

EAT WELL INVESTMENT GROUP INC. (*formerly Rockshield Capital Corp.*)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	As of December 31, 2022	2021
Current assets			
Cash		$ 6,536,199	$ 2,664,581
Accounts receivable	6	11,183,202	-
Inventory	7	5,048,585	-
Prepaid expenses and other current assets	8	719,156	1,524,650
Current assets of discontinued operations	5	17,299	-
Total current assets		**23,504,441**	**4,189,231**
Property, plant and equipment, net	9	12,141,168	-
Interest receivable	10	-	56,896
Loans receivable	10	-	2,355,923
Intangible assets, net	11	21,479,065	-
Goodwill	11	13,875,298	-
Investments in marketable securities	12	-	459,402
Private investments, at fair value through profit or loss	13	4,117,814	43,292,494
Long-term assets of discontinued operations	5	8,927,667	-
TOTAL ASSETS		**$ 84,045,453**	**$ 50,353,946**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		$ 4,614,980	$ 255,029
Accrued expenses	14	3,635,327	7,421
Due from affiliates		-	11,756
Interest payable		458,232	-
Term loans payable	16	-	9,391,046
Notes payable to affiliates		16,274	-
Current liabilities of discontinued operations	5	1,183,110	-
Total current liabilities		**9,907,923**	**9,665,252**
Deferred tax liability	20	7,151,342	-
Credit facility	15	40,000,000	33,215,000
Long-term liabilities of discontinued operations	5	1,269,304	-
Total liabilities		**58,328,569**	**42,880,252**
Shareholders' equity			
Capital stock	17	55,191,400	49,885,512
Retained earnings		(81,343,868)	(93,335,804)
Commitment to issue shares	13(b)	41,620,369	41,620,369
Contributed surplus	17	9,598,680	9,064,532
Accumulated other comprehensive income		221,731	-
Share subscriptions		-	239,085
Total Eat Well Investment Group shareholders' equity		**25,288,312**	**7,473,694**
Non-controlling interest in subsidiary		428,572	-
Total shareholders' equity		**25,716,884**	**7,473,694**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 84,045,453**	**$ 50,353,946**

These consolidated financial statements were approved for issue by the Board of Directors on July 2, 2024 and are signed on its behalf by:

/s/ Desmond Balakrishnan
Desmond Balakrishnan
Director

/s/ Patrick Dunn
Patrick Dunn
Director

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

EAT WELL INVESTMENT GROUP INC. (*formerly Rockshield Capital Corp.*)
CONSOLIDATED STATEMENTS OF NET INCOME AND LOSS AND COMPREHENSIVE INCOME AND LOSS
(Expressed in Canadian Dollars)

	Note	Year Ended December 31, 2022	2021
Sales		**$ 32,210,704**	**$ -**
Cost of sales		**25,517,388**	**-**
Gross profit		**6,693,316**	**-**
Net investment gain (loss)			
Realized loss on investment		(1,236)	(4,512,536)
Unrealized gain on investment		25,102,403	580,011
Net investment gain (loss)		**25,101,167**	**(3,932,525)**
Gross margin		**31,794,483**	**(3,932,525)**
Operating expenses			
General and administrative		679,092	414,123
Wages and salaries		3,810,203	740,878
Employee benefits		264,851	48,594
Professional fees		3,982,836	1,748,782
Sales and marketing expenses		833,926	378,862
Corporate insurance		300,430	22,548
Corporate development		411,053	202,962
Shareholder costs		61,994	26,793
Stock based compensation		1,359,333	5,324,112
Depreciation expense		163,060	-
Amortization expense		1,440,535	-
Financing and transaction costs		(5,750)	55,014,524
Total operating expenses		**13,301,563**	**63,922,178**
Net operating income		**18,492,920**	**(67,854,703)**
Other income (expense)			
Gain (loss) on foreign exchange		21,636	(505,614)
Interest income		218,948	85,053
Discount on loans payable		-	497,628
Other income		11,446	-
Interest expense		(4,994,499)	(1,400,850)
Other expense		**(4,742,469)**	**(1,323,783)**
Income before taxes		**13,750,451**	**(69,178,486)**
Provision for income taxes	20	(120,641)	(1,003)
Income (loss) from continuing operations		**13,629,810**	**(69,179,489)**
Loss from discontinued operations		(1,184,527)	-
Net income		**$ 12,445,283**	**$ (69,179,489)**
Income (loss) attributable to Eat Well Investment Group		12,016,711	(69,179,489)
Income attributable to non-controlling interests		428,572	-

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

EAT WELL INVESTMENT GROUP INC. (*formerly Rockshield Capital Corp.*)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

a	Share Capital – Number of Shares	Share Capital – Amount	Subscriptions Received in Advance	Share-based Payments Reserve	Commitment to Issued Common Shares	Accumulated Other Comprehensive Income	Accumulated Deficit	Non-Controlling Interest	Total Shareholders' Equity
As of December 31, 2020	**45,595,354**	**$ 24,865,933**	**$ -**	**$ 4,111,318**	**$ -**	**$ -**	**$ (23,962,215)**	**$ -**	**$ 5,015,036**
Common shares issued for:									
Cash – exercise of warrants	17,556,667	2,633,500	-	-	-	-	-	-	2,633,500
Cash – private placement	40,000,000	3,000,000	-	-	-	-	-	-	3,000,000
Credit facility	500,000	320,000	-	-	-	-	-	-	320,000
Finder's fee	3,550,333	266,275	-	-	-	-	-	-	266,275
Investments in plant Based companies	3,741,969	2,394,860	-	-	-	-	-	-	2,394,860
Redemption of Deferred Share Units	125,000	56,875	-	(56,875)	-	-	-	-	-
Redemption of Restricted Share Units	1,000,000	1,010,000	-	-	-	-	-	-	1,010,000
Debt	60,000	33,000	-	-	-	-	-	-	33,000
Transaction costs	17,482,831	11,189,012	-	-	41,620,369	-	-	-	52,809,381
Prepayments for special warrants	-	5,100,000	-	-	-	-	-	-	5,100,000
Share-based compensation:									
Deferred Share Units	-	-	-	61,930	-	-	-	-	61,930
Options	-	-	-	1,404,701	-	-	-	-	1,404,701
Restricted Share Units	-	-	-	2,453,355	-	-	-	-	2,453,355
Transfer of Deferred Share Units to Restricted Share Units	-	-	-	337,250	-	-	-	-	337,250
Warrants issued for debt	-	-	-	505,000	-	-	-	-	505,000
Imputed interest on related party debt	-	-	-	190,977	-	-	-	-	190,977
Repurchased common shares	(322,500)	(240,667)	-	-	-	-	(194,100)	-	(434,767)
Share issuance costs	-	(743,276)	-	-	-	-	-	-	(743,276)
Share subscriptions received in Advance	-	-	239,085	-	-	-	-	-	239,085
Contributed surplus	-	-	-	56,876	-	-	-	-	56,876
Net loss	-	-	-	-	-	-	(69,179,489)	-	(69,179,489)
As of December 31, 2021	**129,289,654**	**$ 49,885,512**	**$ 239,085**	**$ 9,064,532**	**$ 41,620,369**	**$ -**	**$ (93,335,804)**	**$ -**	**$ 7,473,694**
Common shares issued for:									
Cash – private placement	6,690,666	5,018,000	-	-	-	-	-	-	5,018,000
Cash – exercise of warrants	10,834,231	76,495	(239,085)	-	-	-	-	-	(162,590)
Cash – exercise of special warrants	10,403,995	-	-	-	-	-	-	-	-
Redemption of Restricted Stock Units	1,200,000	590,000	-	(550,000)	-	-	-	-	40,000
Share-based compensation									
Share options	-	-	-	759,308					759,308
Restricted Share Units	-	-	-	560,025	-	-	-	-	560,025
Warrants	-	-	-	177,815	-	-	-	-	177,815
Share issuance costs	-	(276,775)	-	-	-	-	-	-	(276,775)
Prepayments for warrants	-	75,000	-	-	-	-	-	-	75,000
Repurchase of common shares	(683,000)	(176,832)	-	-	-	-	(24,775)	-	(201,607)
Revaluation of warrants	-	-	-	(413,000)	-	-	-	-	(413,000)
Foreign exchange translation adjustment	-	-	-	-	-	221,731	-	-	221,731
Net income	-	-	-	-	-	-	12,016,711	428,572	12,445,283
As of December 31, 2022	**157,735,546**	**$ 55,191,400**	**$ -**	**$ 9,598,680**	**$ 41,620,369**	**$ 221,731**	**$ (81,343,868)**	**$ 428,572**	**$ 25,716,884**

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

EAT WELL INVESTMENT GROUP INC. (*formerly Rockshield Capital Corp.*)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended December 31, 2022	2021
Net loss for the year	$ 13,629,813	$ (69,179,489)
Adjustments for:		
Unrealized loss (gain) on investments held	294,125	(42,259,626)
Share-based compensation	1,497,148	4,953,214
Gain on revaluation of warrants	(413,000)	-
Depreciation and amortization	1,932,223	-
Debt discount	-	(2,235,331)
Amortization of debt discount	790,727	1,444,604
Loss on debt modification	-	31,869
Adjustment of fixed assets to fair value	46,384	-
Conversion from investment entity to operating entity	(25,396,528)	-
Changes in operating assets and liabilities		
Accounts receivable, net	(3,271,695)	-
Inventory	1,138,616	-
Prepaid expenses and other current assets	1,368,623	(1,518,895)
Due from affiliates	4,013	11,756
Interest receivable	56,896	(56,896)
Deferred tax liability	(417,364)	-
Accounts payable	1,315,467	253,709
Accrued expenses	1,366,716	7,421
Interest payable	458,232	-
Net cash used in operating activities of continuing operations	**(5,599,604)**	**(108,547,664)**
Net cash used in operating activities of discontinued operations	(177,124)	-
Net cash used in operating activities	**(5,776,728)**	**(108,547,664)**
Investing activities		
Purchases of plant, property and equipment	(361,442)	-
Funds acquired through acquisitions	7,399,843	-
Sale of investments	165,277	-
Net cash provided by investing activities of continuing operations	**7,203,678**	**-**
Net cash provided by investing activities of discontinued operations	45,643	-
Net cash provided by investing activities	**7,249,321**	**-**
Financing activities		
Principal repayments on debt	(9,896,773)	(3,796,716)
Proceeds from issuance of debt	-	13,661,620
Proceeds from credit facility	6,500,000	33,500,000
Transaction costs	-	41,620,369
Issuance of notes receivable	-	(2,355,923)
Principal repayments on notes receivable	1,372,197	-
Proceeds from private placement	3,403,091	-
Proceeds from exercise of warrants	1,250,544	-
Proceeds from the redemption of RSUs	40,000	-
Repurchase of common shares	(201,606)	-
Proceeds from the issuance of common shares	-	25,568,755
Payment of share issue costs	-	(743,276)
Subscriptions received in advance	-	239,085
Net cash provided by financing activities of continuing operations	**2,467,453**	**107,693,914**
Net cash provided by financing activities of discontinued operations	131,481	-
Net cash provided by financing activities	**2,598,934**	**107,693,914**
Effect of changes in foreign exchange rates on cash	**(199,909)**	**-**
Net change in cash	**3,871,618**	**(853,750)**
Cash at beginning of year	**2,664,581**	**3,518,331**
Cash at end of year	**$ 6,536,199**	**$ 2,664,581**

Supplemental cash flow information - See Note 22

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

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Eat Well Investment Group, Inc. (the "Company") is a publicly-traded Canadian based plant-based food ingredients and consumer packaged goods ("CPG") company. The Company was incorporated under the laws of the province of British Columbia on October 23, 2007 as Rockshield Capital Corp. On August 30, 2021, the Company changed its name from Rockshield Capital Corp.to Eat Well Investment Group Inc. to more appropriately reflect the Company's investment policy to focus on the agri-business, foodtech and plant-based food industries. The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol "EWG". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

The Company was formerly an investment entity focused on the food and agriculture industry. During the year ended December 31, 2022, the Company made certain acquisitions in this industry; however, the Company subsequently determined that as of August 1, 2022, the Company was no longer an investment entity, but an operating entity engaged in the business of plant-based food ingredients and CPG.

During the year ended December 31, 2022, the Company recorded net income of $12,445,283 and, as of December 31, 2022, had a cash balance of $6,536,199 and current liabilities of $9,907,923. The Company will need to secure additional funding to meet ongoing levels of corporate overheads, retire amounts due on the Company's investments in plant-based companies and amounts loaned under the credit facility and repay indebtedness as they come due. The Company intends to secure long-term financing and/or raise additional capital from the sale of additional common shares or other equity instruments. As of the date of this filing, the Company is in default on the credit facility with Cortland (see Note 15). Whether the Company can raise sufficient capital is uncertain. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. See also Note 22.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future and do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern or be unable to realize its assets or discharge its liabilities in the normal course of business. Such adjustments can be material.

2. Basis of Preparation

Statement of Compliance

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

Details of Subsidiaries

In addition to the Company, the consolidated financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which controlis acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

Company	Location of Incorporation	Ownership Interest
Rockshield Plywood Corp. (Inactive)*	Canada	100%
Rockshield Capital Management Corp. ("RCM")	USA	100%
Sapientia Technology LLC ("Sapientia")	USA	100%
Belle Pulses Ltd. ("Belle Pulses")	Canada	100%
Belle Pulses USA LLC ("Belle Pulses USA")	USA	51%

*Rockshield Plywood Corp. was dissolved on October 31, 2022.

The operations of Belle Pulses USA are reported as non-controlling interests in the consolidated financial statements.

Basis of Measurement and Presentation

3. Summary of Significant Accounting Policies (continued)

The Company's consolidated financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The consolidated financial statements are presented in Canadian dollars unless otherwise stated. The Company had determined itself to be an investment entity in accordance with IFRS 10 - *Consolidated Financial Statements* ("IFRS 10"). On August 1, 2022, the Company ceased to meet the definition of an investment entity in accordance with IFRS 10 (see Note 4). The Company has applied IFRS 3 – *Business Combinations* ("IFRS 3"), to all subsidiaries that were previously measured at fair value through profit or loss on this date. The assets and liabilities of the Company's subsidiaries are measured at fair value and the difference between the fair value of the assets and liabilities is recorded as goodwill. The consolidated financial statements for the year ended December 31, 2022 include the consolidated accounts of the Company and Belle Pulses, Belle Pulses USA and Sapientia from August 1, 2022 onwards.

Adoption of Additional Accounting Policies

During the year ended December 31, 2021 the Company determined to change its focus to investments in privately-held businesses in the agri-business, foodtech and plant-based food industries. Accordingly, the Company has adopted the following additional significant policies.

Financial Instruments

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at fair value through profit or loss ("FVTPL"); (ii) those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and (iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

Privately-held Investments

(a) Securities in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. These are included in Level 3 as disclosed in Note 21.

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. In the absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

3. Summary of Significant Accounting Policies (continued)

(b) Upward adjustments are considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable

(c) Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable.

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

Investments in Associates

Investments in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. Investments in associates are held as part of the Company's investment portfolio and carried in the statement of financial position at fair value even though the Company may have significant influence over the companies. This treatment is permitted by IAS 28 - *Investments in Associates and Joint Ventures* ("IAS 28"), which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IFRS 9, with changes in fair value recognized in the profit (loss) within unrealized gains or losses on investments.

Investments in Subsidiaries

As an investment entity, the Company did not consolidate its investments in subsidiaries, except for those subsidiaries providing services that relate to the Company's investment activities. Instead, the investment in a subsidiary was measured at fair value through profit or loss. This treatment is permitted by IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IFRS 9, with changes in fair value recognized in profit (loss) within unrealized gains or losses on investments. On August 1, 2022, the Company ceased to meet the definition of an investment entity in accordance with IFRS 10 (see Note 4). The Company has applied IFRS 3 – *Business Combinations,* to all subsidiaries that were previously measured at fair value through profit or loss on this date. The Company's investments in subsidiaries are consolidated as of August 1, 2022, which is deemed the acquisition date.

Loans Receivable

Financial assets that are managed to collect contractual cash flows made up of principal and interest are designated as amortized cost. All other financial assets are designated as of fair value through profit or loss. All financial assets are recognized initially at fair value plus, in the case of financial assets designated at amortized cost, directly attributable transaction costs. Financial assets at amortized cost are measured at initial cost plus interest, calculated using the effective interest rate method less cumulative repayments and cumulative impairment losses.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. For amounts deemed to be impaired, the impairment provision is based upon the expected loss.

Loans receivable are carried at amortized cost. The recoverability of the loans receivable is assessed when events occur indicating impairment. Recoverability is based on factors such as failure to pay interest on time and failure to pay the principal. An impairment loss is recognized in the period when it is determined that the carrying amount of the assets will not be recoverable. At that time the carrying amount is written down to fair value. Loans to plant-based companies are financial instruments classified at amortized cost and are adjusted for expected credit losses.

3. Summary of Significant Accounting Policies (continued)

Critical Judgments and Sources of Estimation Uncertainty

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 financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) The determination of types of financial assets and financial liabilities has been identified as an accountingpolicy which involves judgments or assessments made by management.

Management is required to make judgments to determine the fair value of investments in marketable securities subsequent to initial recognition. Management is also required to determine on whether those marketable securities have sufficient trading volume and reasonable bid-ask spread to determine if they are active enough to be measured at Level 1 of the fair value hierarchy or if other levels are more appropriate. Where the fair values of those investments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. Changes in estimates and assumptions about these inputs could affect the reported fair value.

(iii) Prior to August 1, 2022, the Company applied the exception to consolidation of particular subsidiaries available to investment entities with the exception of RCM as this subsidiary provides services related to the Company's investment activities. Management has determined that the Company qualified for the exemption from consolidation given that the Company had the following typical characteristics of an investment entity prior to August 1, 2022:

(a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

(b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Management is required to make estimates to determine the fair value of investments in private companies subsequent to initial recognition. Where the fair value of the investments in private companies cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

(ii) The Company measures financial instruments, such as derivatives, at fair value at the end of each reporting period. Where the Company holds investments in warrants that are publicly traded and have sufficient trading volume, the fair value is generally the closing price on the principal securities exchange on which the warrant is traded. Investments in warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique

3. Summary of Significant Accounting Policies (continued)

is used. Changes in estimates and assumptions about these inputs could affect the reported value. If no such market inputs are available, the warrants are valued at an intrinsic value that approximates fair value.

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

(iii) The Company recognizes a loss allowance for expected credit losses on amounts receivable and loans receivable. The amount of expected credit losses ("ECL") is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognizes lifetime ECLs for amounts receivable and loans receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Determining an allowance for ECLs requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest. Financial assets in this category include amounts receivable and loans receivable.

(iv) During March 2020 the World Health Organization characterized COVID-19 as a pandemic. COVID-19 has had a material adverse impact on global economies. In order to combat the spread of COVID-19, governments worldwide, including Canada, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures.

Determining the impact of COVID-19 on the valuation of the Company's investment portfolio required significant judgement given the amount of uncertainty regarding the long-term impact of COVID-19. The ultimate impact of COVID-19 on the financial results of the Company will depend on future developments, including the duration and spread of the pandemic and related advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and difficult to predict. If the financial markets and/or the overall economy are impacted for a period significantly longer than currently implied by the markets, the financial results of the Company, including the fair value of its corporate investments, may be materially adversely affected.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of federally insured limits with a major financial institution. As of December 31, 2022 and 2021 the Company did not have any cash equivalents.

Accounts Receivable

Receivables are recognized initially at fair value and classified as amortized cost. Receivables are subsequently measured at amortized cost using the effective interest method, less expected credit losses. At each reporting date, the Company records credit losses at an amount equal to the lifetime expected credit losses using a present value and probability-weighted model.

Inventory

(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

Inventory is stated at the lower of cost, with cost being determined on a weighted average basis, and net realizable value. Inventory is written down to net realizable value when the cost of inventory is estimated to be greater than the anticipated selling price less costs to sell. Materials held for future use in the production of finished goods inventory is written down to the extent the material cost and estimated cost to complete exceed net realizable value of the finished goods. When circumstances that previously caused inventory to be written down below cost no longer exist, the amount of the write-down is reversed.

Plant, property, and equipment, net

Property, plant and equipment are recorded at cost less accumulated depreciation and impairments. Depreciation is provided for each major class of assets using the following methods and at the following annual rates:

Major classes of assets	**Depreciation method**	**Annual rate**
Land	not depreciated	not depreciated
Buildings	straight-line	25 years
Machinery and equipment	straight-line	10 years
Automotive equipment and computers	declining balance	30%

In the year of acquisition, depreciation is recorded at one-half of the annual rate.

There was no impairment of fixed assets recorded during the years ended December 31, 2022 and 2021.

Intangible assets

The Company amortizes the cost of intangible assets over their respective estimated useful lives to their estimated residual value. See Note 11 for further discussion. The Company assesses the recoverability of long-lived assets (excluding goodwill) and finite-lived intangible assets, whenever events or changes in circumstances indicate that the asset's carrying amount may not be recoverable. The Company measures the recoverability of assets to be held and used by a comparison of the carrying amount of the asset to the expected, undiscounted future net cash flows to be generated by that asset or, for identifiable intangible assets, by determining whether the amortization of the intangible asset balance over its remaining life can be recovered through undiscounted future cash flows. The amount of impairment of identifiable intangible assets is based on the present value of estimated future cash flows. The Company measures the amount of impairment of other long-lived assets and intangible assets (excluding goodwill) as the amount by which the carrying value of the asset exceeds the fair value of the asset, which is generally determined as the present value of estimated future cash flows or as the appraised value. Intangible assets with finite lives are recorded at their estimated fair value at the date of acquisition and are amortized over their estimated useful lives using the straight-line method.

Goodwill

For acquisitions accounted for as a business combination, goodwill represents the excess of the cost over the fair value of the net assets acquired. The Company is required to test goodwill for impairment, at the reporting unit level, annually and when events or circumstances indicate the fair value of a reporting unit may be below its carrying value. A reporting unit is an operating segment or one level below an operating segment (referred to as a component) to which goodwill is assigned when initially recorded. The Company assigns goodwill to reporting units based on its integration plans and the expected synergies resulting from the acquisition. The Company has one reporting unit. The Company tests goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred. There was no goodwill impairment for the years ended December 31, 2022 and 2021.

Accounts Payable and Accrued Liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as amortized cost and initially measured at fair value and subsequently measured at amortized cost using the effective interest method.

Impairment of Long-lived Assets

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable

3. Summary of Significant Accounting Policies (continued)

amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. There was no impairment of long-lived assets recorded in the years ended December 31, 2022 and 2021.

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

Impairment of Financial Assets at Amortized Cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Warrants Issued in Equity Financing Transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and advance its business objectives. These equity financing transactions may involve issuance of common shares or units. Aunit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares priorto expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued aspayment for an agency fee or other compensatory transactions costs are accounted for as share-based payments.

Share-Based Payment Transactions

Stock Option Plan

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

For employees the fair value is measured at grant date and each tranche is recognized separately on a straight-line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-

3. Summary of Significant Accounting Policies (continued)

Scholes option pricing model taking into account the terms and conditions upon which the share options were granted.

At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Deferred Share Unit ("DSU") and Restricted Share Unit ("RSU") Plans

The Company had a deferred share unit plan (the "DSU Plan"). Effective February 26, 2021, the DSU Plan was replaced by a restricted share unit plan (the "RSU Plan"). DSUs and RSUs 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 or RSUs are issued.

Revenue Recognition

Security transactions are recorded on a settlement date basis. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in profit or loss and are calculated on an average cost basis. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed in order to recognize the full realized gain or loss in the period of disposition. All transaction costs are expensed to profit or loss. Interest income is recorded on an accrual basis.

Revenue from sales of products is recognized when the significant risks and rewards of ownership have been completed and there are no significant obligations remaining, the contract and performance obligations have been identified, the transaction price has been determined and allocated to the performance obligations, and collectability is reasonably assured. This usually occurs at the time of product shipment.

Current and Deferred Income Taxes

The tax expense comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3. Summary of Significant Accounting Policies (continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Income (Loss) Per Share

Basic income (loss) per share is computed by dividing income available (loss attributable) to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted income (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on income (loss) per share. For the years presented all options, DSUs and warrants have been excluded from the calculation as they are considered anti-dilutive.

Foreign Currency Translation

Functional and Presentation Currency

The presentation currency of the Company is the Canadian dollar. The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The Company considers the functional currency to be the Canadian dollar for its parent entity and Belle Pulses and the US dollar for Belle Pulses USA and Sapientia. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21 - *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of loss and comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in profit or loss.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange 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 profit or loss.

Comparative Figures

Certain comparative figures have been reclassified to conform to the consolidated financial statement presentation in the current year.

Future Accounting Standards and Interpretations Issued but Not Yet Effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2022 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the financial statements.

IAS 1 - *Presentation of Financial Statements* ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The

3. Summary of Significant Accounting Policies (continued)

amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IFRS 3 - *Business Combinations* ("IFRS 3") was amended in May 2020. The amendments introduce new exceptions to the recognitionand measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 - rather than the definition in the Conceptual Framework - to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022. The amendment to IFRS 3 did not have a material impact on the Company's financial statements.

IAS 37 - *Provisions, Contingent Liabilities, and Contingent Assets* ("IAS 37") was amended in May 2020. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. IAS 37 did not have a material impact on the Company's financial statements.

On April 9, 2024, the IASB issued IFRS 18 – *Presentation and Disclosures in the Financial Statements* ("IFRS 18"), which replaces IAS 1, to improve comparability and transparency of the financial statements. IFRS 18 defines categories and subtotals to be presented in the statements of profit and loss and establishes requirements for aggregation and disaggregation of relevant information. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027.

4. Acquisitions

a. Consideration of Current Facts and Circumstances

In August 2022, the Company executed an Amended and Restated Credit Agreement (the "ARCA") with Cortland Credit Lending Corporation ("Cortland"), which was collateralized by all of the present and after-acquired undertaking, property and assets of each obligor, and all other property and proceeds therefrom. The Borrowing Base Amount is calculated based on the face value of all eligible receivables. The only significant receivables of the Company at any point in time are the receivables of Belle Pulses. In addition, the ARCA was collateralized by the assets of Belle Pulses and its 51%-owned subsidiary, Belle Pulses USA and specified the bank accounts of Belle Pulses as the collection account and deposit account. The debt is collateralized solely by Belle Pulses' assets. The Company, Sapientia and Amara (see Note 13(a)) have historically incurred net losses and the Company had an accumulated deficit of $93,335,804 (CAD) as of December 31, 2021. Upon executing the ARCA, the Company began drawing funds on the line of credit to support the operations of EWG and Sapientia and support obligations under the Amara Promissory Note (see Note 16(a)). As discussed above, the Company collateralized an investee's assets to secure debt to fund the operations of unprofitable entities.

b. Re-assessment of Investment Entities Under IFRS 3 - Business Combinations

The Company considered the facts and circumstances related to the ARCA that was effective August 1, 2022 and determined that the Company no longer met the definition of an investment entity as of the effective date of the ARCA As a result, the Company assessed all of its investments under the guidance of IFRS 3 and determined that the investments in Belle Pulses and Sapientia should be treated as acquisitions as of August 1, 2022. The Company's financial statements are presented in accordance with investment entity guidance for the period prior to August 1, 2022. Beginning August 1, 2022, the Company's financial statements are reported with the effects of the operations of Belle Pulses and Sapientia being consolidated.

c. Business Combination – Belle Pulses

(Expressed in Canadian Dollars)

4. Acquisitions (continued)

On July 30, 2021, the Company entered into a Stock Purchase Agreement (the "Belle Pulses SPA") with Belle Pulses in which 100% of Belle Pulses' outstanding shares were acquired by EWG for $30,000,000. For the period from the date of the Belle Pulses SPA through August 1, 2022, this acquisition of Belle Pulses was recorded in accordance with IFRS 10 with EWG reporting as an investment entity and accounting for the Belle Pulses SPA under the equity method on the Company's balance sheet. The Company obtained a valuation of the fair market value of the equity of Belle Pulses as of August 1, 2022. The valuation was performed by an independent third party that assessed a fair market value of $57,300,000. On August 1, 2022, in conjunction with the reclassification of the Company from an investment entity to an operating entity, the Company recorded Belle Pulses as a business combination.

The following table presents the allocation of equity to assets acquired and liabilities assumed for Belle Pulses as of August 1, 2022, following the reclassification:

	As of August 1, 2022
Cash and cash equivalents	$ 7,399,844
Accounts receivable	7,911,506
Inventory	6,187,202
Prepaid expenses and other current assets	563,129
Plant, property and equipment	12,317,797
Intangible assets	22,919,600
Goodwill	13,875,298
Liabilities assumed	(13,874,376)
Total equity	**$ 57,300,000**

d. Business Combination – Sapientia

On July 30, 2021, the Company entered into a Stock Purchase Agreement (the "Sapientia SPA") with Sapientia in which 100% of Sapientia's equity ownership interests were acquired by EWG for $10,374,680. For the period from the date of the Sapientia SPA through August 1, 2022, this acquisition of Sapientia was recorded in accordance with IFRS 10 with EWG reporting as an investment entity and accounting for the Sapientia SPA under the equity method on the Company's balance sheet. The Company obtained a valuation as of August 1, 2022 of the fair market value of the equity of Sapientia by an independent third party that assessed a fair market value of $5,670,000 USD ($7,271,209 CAD). On August 1, 2022, in conjunction with the reclassification of the Company from an investment entity to an operating entity, the Company recorded Sapientia as a business combination.

The following table presents the allocation of equity to assets acquired and liabilities assumed for Sapientia as of August 1, 2022, following the reclassification:

	As of August 1, 2022
Cash and cash equivalents	$ 45,733
Accounts receivable	25,186
Other current assets	183,024
Intangible assets	6,858,147
Goodwill	2,439,513
Liabilities assumed	(2,280,394)
Total equity	**$ 7,271,209**

As of December 31, 2022 and 2021, the Company had $13,875,298 and $nil in goodwill due to the reclassification of the Company from an investment entity to an operating entity and related acquisition of Belle Pulses. As of December 31, 2022, goodwill resulting from the acquisition of Sapientia is included in long-term assets of discontinued operations on the company's consolidated statements of financial position (See Note 5).

5. Discontinued Operations

On June 16, 2023, the Company's board of directors decided to sell the Company's interest in Sapientia. The Company's decision to sell Sapientia met the "held for sale" under IFRS 5.6-8, *Discontinued Operations*, and represented a strategic shift that had a significant impact on the Company's overall operations and financial results.

The major classes of assets and liabilities of our discontinued operations as reported on the Consolidated Statements of Financial Position as of December 31, 2022 and 2021 are as follows:

(Expressed in Canadian Dollars)

5. Discontinued Operations (continued)

	As of December 31, 2022	As of December 31, 2021
Carrying amounts of assets associated with Sapientia reported as discontinued operations:		
Cash and cash equivalents	$ 12,807	$ -
Prepaid expenses and other current assets	4,491	-
Current assets of discontinued operations	**$ 17,298**	**$ -**
Intangible assets, net	6,488,154	-
Goodwill	2,439,513	-
Long-term assets of discontinued operations	**$ 8,927,667**	**$ -**
Carrying amounts of liabilities associated with Sapientia reported as discontinued operations:		
Accounts payable	$ 131,804	$ -
Accrued expenses	64,808	-
Notes payable to affiliates	986,498	-
Current liabilities of discontinued operations	**$ 1,183,110**	**$ -**
Deferred tax liability	1,269,304	-
Long-term liabilities of discontinued operations	**$ 1,269,304**	**$ -**

The operating results of our discontinued operations for the period from August 1, 2022 through December 31, 2022 are as follows:

	August 1, 2022 through December 31, 2022
Sales	**$ 22,033**
Cost of sales	**1,156**
Gross profit	**20,877**
Operating expenses	
General and administrative	3,154
Wages and salaries	127,322
Employee benefits	22,588
Professional fees	132,055
Sales and marketing expenses	169,344
Amortization expense	356,490
Research and development	785
Total operating expenses	**811,738**
Net operating loss	**(790,861)**
Other expense	
Loss on foreign exchange	(557,103)
Interest expense	(68)
Total other expense	**(557,171)**
Net loss before income taxes	**(1,348,032)**
Provision for income taxes	163,505
Net loss from discontinued operations	**$ (1,184,527)**

6. Accounts Receivable

As of December 31, 2022 and 2021, accounts receivable was $11,183,202 and $nil, respectively.

(Expressed in Canadian Dollars)

7. Inventory

Inventory, net consisted of the following as of December 31, 2022 and 2021:

	As of December 31, 2022	2021
Raw materials	$ 4,505,198	$ -
Supplies	543,387	-
Total inventory	**$ 5,048,585**	**$ -**

8. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of December 31, 2022 and 2021:

	As of December 31, 2022	2021
Prepaid insurance and licenses	$ 233,437	$ 124,824
Vendor deposits	197,806	-
GST receivable	144,934	105,558
Prepaid services	-	30,168
Prepaid freight	57,508	-
Prepaid property taxes	44,118	-
Prepaid margin	22,600	-
Prepaid membership fees	6,645	-
Prepaid tradeshows	3,341	-
Prepaid investor relations programs	-	1,143,289
Prepaid marketing programs	-	84,472
Deferred share issue costs	-	29,448
Prepaid other	8,768	6,891
Total prepaid expenses and other current assets	**$ 719,157**	**$ 1,524,650**

9. Plant, Property and Equipment

Plant, property and equipment consisted of the following as of December 31, 2022 and 2021:

	As of December 31, 2022	2021
Land	$ 230,037	$ -
Buildings	4,804,205	-
Machinery and equipment	7,516,843	-
Automotive equipment	81,771	-
	12,632,856	**-**
Accumulated depreciation	(491,688)	-
	$ 12,141,168	**$ -**

During the years ended December 31, 2022 and 2021, depreciation expense was $491,688 and $nil, respectively.

10. Loans Receivable

As of December 31, 2022 and 2021, loans receivable and interest receivable consisted of the following:

	As of December 31, 2022		
	Sapientia	Belle Pulses	Total
Principal	$ -	$ -	$ -
Accrued interest receivable	-	-	-
Total	**$ -**	**$ -**	**$ -**

(Expressed in Canadian Dollars)

10. Loans Receivable (continued)

	As of December 31, 2021		
	Sapientia	**Belle Pulses**	**Total**
Principal	$ 505,923	$ 1,850,000	$ 2,355,923
Accrued interest receivable	1,923	54,973	56,896
Total	**$ 507,846**	**$ 1,904,973**	**$ 2,412,819**

During the years ended December 31, 2022 and 2021, the Company provided Sapientia with loans totaling US $280,000 and $400,000, respectively. The loans bear interest at a rate of 1.87% per annum and are repayable with accrued interest on various dates from August 18, 2023 through July 11, 2024. During the years ended December 31, 2022 and 2021, the Company recorded interest income of CAD $7,716 and CAD $656, respectively. During the years ended December 31, 2022 and 2021, the Company received loan repayments from Sapientia of $0. As of December 31, 2022, the Company's loans receivable balance with Sapientia is eliminated in consolidation. For the period August 1, 2022 through December 31, 2022, interest income earned from Sapientia is eliminated in consolidation. See Note 4(d).

On September 22, 2021, the Company loaned $2,000,000 to Belle Pulses, bearing interest at 10% per annum and repayable with interest on September 22, 2023. During the years ended December 31, 2022 and 2021, the Company received loan repayments from Belle Pulses of $1,809,000 and $150,000, respectively. During the years ended December 31, 2022 and 2021, the Company recorded interest income from Belle Pulses of $80,870 and $16,616, respectively. As of December 31, 2022, the Company's loans receivable balance with Belle Pulses is eliminated in consolidation. For the period August 1, 2022 through December 31, 2022, interest income earned from Belle Pulses is eliminated in consolidation. See Note 4(c).

11. Intangible Assets and Goodwill

a. Intangible Assets

Identifiable intangible assets of $21,479,065 as of December 31, 2022 was due to the acquisition of Belle Pulses on August 1, 2022 (see Note 4) and represents the amortized carrying amount of the intangibles. The weighted average remaining amortization period of the intangible assets is 6.99 years.

The gross carrying amount and annual amortization for the identifiable intangible assets as of December 31, 2022 and 2021 are as follows:

	As of December 31, 2022			
	Useful Life (years)	**Acquisition Fair Value**	**Accumulated Amortization**	**Net**
Technology	8	$ 15,021,800	$ (782,385)	$ 14,239,415
Non-contractual customer relationships	5	3,385,800	(282,150)	3,103,650
Trade names and trademarks	5	4,512,000	(376,000)	4,136,000
		$ 22,919,600	**$ (1,440,535)**	**$ 21,479,065**

	As of December 31, 2021			
	Useful Life (years)	**Acquisition Fair Value**	**Accumulated Amortization**	**Net**
Technology	N/A	$ -	$ -	$ -
Non-contractual customer relationships	N/A	-	-	-
Trade names and trademarks	N/A	-	-	-
		$ -	**$ -**	**$ -**

Intangible asset amortization expense was $1,440,535 and $nil for the years ended December 31, 2022 and 2021, respectively.

As of December 31, 2022, future amortization expense is expected to be as follows:

Years ending December 31,	
2023	$ 3,457,284
2024	3,457,284
2025	3,457,284
2026	3,457,284
2027	2,799,134
Thereafter	4,850,795
	$ 21,479,065

(Expressed in Canadian Dollars)

11. Intangible Assets and Goodwill (continued)

b. Goodwill

Goodwill as of December 31, 2022 represents the excess cost of an acquisition over the fair value of the net assets acquired.

The balance of goodwill as of December 31, 2022 was due to the acquisition of Belle Pulses at August 1, 2022 (see Note 4(c)). The Company retained independent consultants to determine the value of equity as of August 1, 2022 to support the value of goodwill. The Company updated those evaluations using internal modeling processes for the year ended December 31, 2022. The Company is permitted to assess market-based, prospective analyses and other qualitative factors to determine if it is more likely than not that the fair value of the reporting unit is less than the carrying value. Based on the results of the assessments made by management, with prior input from the retained consultants, it was determined that the carrying value of goodwill in the amount of $13,875,298 is not impaired as of December 31, 2022.

12. Investments in Marketable Securities

The Company's investments in marketable securities include common shares and other equity instruments of Canadian and U.S. companies that are listed on various Canadian stock exchanges or the Over-the-Counter Venture Market ("OTCQB"). The Company also has investments in common shares of private companies that plan to publicly list their shares.

Management has designated its investments in common shares and warrants of companies as "investments in equity/debt instruments" with the change in fair value recognized in profit or loss. The carrying values of the listed common shares and warrants have been directly referenced to published price quotations in an active market. The carrying values of equity and debt investments in unlisted private companies are valued at fair value using non-observable market inputs based on specific company information and general market conditions. The carrying values of the unlisted warrants are valued at fair value using the Black-Scholes option pricing model.

During the years ended December 31, 2022 and 2021, the Company sold certain of its investments for proceeds totaling $165,277 and $nil, respectively. The Company did not purchase any investments during the years ended December 31, 2022 and 2021. The Company recorded an unrealized gain of $25,102,403 and $580,011, respectively, during the years ended December 31, 2022 and 2021.

13. Private Investments, at Fair Value Through Profit or Loss

As of December 31, 2022 and 2021, private investment, at fair value through profit and loss consisted of the following:

	As of December 31,	
	2022	**2021**
Amara	$ 4,117,814	$ 4,117,814
Belle Pulses	-	28,800,000
Sapientia	-	10,374,680
Private investments at fair value	**$ 4,117,814**	**$ 43,292,494**

a. Investment in Amara

On November 2, 2021, the Company entered into a purchase agreement (the "Series A Preferred Stock Purchase Agreement") pursuant to which the Company acquired 2,047,299 series A preferred shares in the capital of Amara (the "Amara Series A Shares"), representing 51% equity ownership of Amara on a fully diluted as-converted basis (the "Initial Amara Investment"), together with an option to acquire an additional 29% of the shares of Amara for an aggregate cash purchase price of US $29,000,000 (the "Amara Share Purchase Option"), which (if exercised) would result in the Companyhaving an 80% equity ownership of Amara on a fully diluted as-converted basis.

The purchase price consisted of a combination of cash and stock to be transferred at various dates as follows: $1,000,000 cash for 176,681 Amara Series A Shares at $5.666 USD per share along with a promissory note in favor of Amara in the original principal amount of $10,600,000 (the "Amara Promissory Note") for 1,870,618 Amara Series A Shares at $5.666 USD per share. The Amara Promissory Note was repayable in scheduled, quarterly installments of $1,325,000 USD principal plus interest for a period of 24 months from the date of issuance. The Company's obligations under the Promissory Note are secured by a share pledge in respect of certain of the Amara Series A Shares issued to the Company pursuant to the Initial Amara Investment. As of December 31, 2022, the Company had made all payments on the Amara Promissory Note and therefore, pursuant to the Amara Promissory Note, 28% of the Amara Series A Shares were no longer subject to repurchase. The Company failed to make mandatory payments on the Amara Promissory Note subsequent to December 31, 2022. As a result, the 51% equity ownership acquired in the Series A Preferred Stock Purchase Agreement reverted to 28%,

(Expressed in Canadian Dollars)

13. Private Investments, at Fair Value Through Profit or Loss (continued)

pursuant to the Amara Promissory Note payment schedule. As of December 31, 2022 and 2021, the carrying value of the Company's investment in Amara was $4,117,814. See also Note 16(a).

The Amara Series A Shares include certain rights that rank in preference to the currently outstanding shares of Amara, including in respect to dividends (when and if declared), liquidation events, and mergers and other corporate transactions.The Amara Series A Shares will be convertible by the holders thereof at any time into common shares in the capital of Amara. On the seventh anniversary of the closing of the Initial Amara Investment, the Company may redeem its Amara Series A Shares in exchange for the original issuer price (plus accrued and unpaid dividends) in the event Amara does notcomplete a liquidity event or qualified initial public offering by that time. See also Note 23(b).

b. Investments in Belle Pulses and Sapientia

On April 23, 2021, the Company entered into a binding letter of intent with Novel Agri-Technologies Inc. ("Novel") pursuant to which the Company agreed to assume Novel's contractual rights to acquire 100% of two private arm's length plant-based food companies, Belle Pulses and Sapientia (the "Initial Acquisitions").

On July 30, 2021, the Company completed the Initial Acquisitions. The Company paid $30,000,000 cash to acquire Belle Pulses. Part of the cash consideration, $29,750,000, was advanced directly to the vendors by the Cortland Credit Lending Corporation (see Note 15). The consideration for the acquisition of Sapientia was the issuance of 3,741,969 common shares of the Company, at a fair value of $2,394,860, and the obligation to make cash payments totaling US $6,400,000. See also Note 16(b).

In connection with the closing of the Initial Acquisitions the Company paid $750,000 and issued a total of 11,476,205 common shares of the Company, at a fair value of $7,344,771, to Novel for total consideration of $8,094,771 (the "Novel Consideration") and issued a total of 6,006,626 common shares of the Company, at a fair value of $3,844,241, to finders (the "Finders' Shares"). In addition, in consideration of Novel's rights to acquire Belle Pulses and Sapientia, the Company has agreed to pay Novel net profits interest shares in the Initial Acquisitions convertible up to an additional 65,031,826 common shares of the Company. These net profits interest shares were assigned a fair value of $41,620,369 (the "NPI Consideration"), which is presented as Commitment to Issue Shares on the Company's consolidated statements of financial position. The Novel Consideration, the Finders' Shares amounts and the NPI Consideration, totaling $53,559,381, have been expensed as transaction costs incurred for the Initial Acquisitions.

Subsequent to the closing of the Initial Acquisitions, certain principals of Novel have been appointed as officers of the Company to provide ongoing investment oversight services in respect of the Company's plant-based investments. See Note 19.

As of December 31, 2022 and 2021, the carrying value of the Company's investment in Belle Pulses was $nil and $28,800,000, respectively. As of December 31, 2022 and 2021, the carrying value of the Company's investment in Sapientia was $nil and $10,374,681, respectively.

14. Accrued Expenses

Accrued expenses consisted of the following as of December 31, 2022 and 2021:

	As of December 31, 2022	As of December 31, 2021
Accrued compensation	$ 1,584,147	$ 6,418
Warrant liability	1,338,133	-
Accrued interest	34,246	-
Advances received	65,000	-
Income tax payable	497,485	1,003
Other accrued expenses	116,316	-
Total accrued expenses	**$ 3,635,327**	**$ 7,421**

15. Credit Facility

In connection with the Initial Acquisitions the Company obtained a revolving line of credit (the "Credit Facility") with Cortland to borrow a maximum principal amount not to exceed $33,500,000. Outstandingprincipal amounts borrowed under the Credit Facility bear interest at a rate per annum equal to the greater of 7.55% aboveprime or 10% and shall be

(Expressed in Canadian Dollars)

15. Credit Facility (continued)

paid monthly. The Company will also pay a utilization fee equal to 2.4% of the unutilized portion of the Credit Facility. As of December 31, 2021 the Company had received $33,500,000 under the Credit Facility.The Credit Facility was originally scheduled to mature on January 31, 2022, but was extended to July 31, 2022. Effective August 1, 2022, the Company entered into the ARCA, which increased the maximum principal amount of the Credit Facility to $40,000,000 and extended the maturity date to October 31, 2022. Outstanding principal amounts borrowed under the ARCA bears interest at a rate per annum equal to the greater of 7.55% aboveprime or 10% and shall be paid monthly. The Company will also pay a utilization fee equal to 2.4% of the unutilized portion of the Credit Facility. The Credit Facility has been further amended and restated, which extended the maturity date to August 31, 2023. During the year ended December 31, 2022, the Company received an additional $6,500,000 under the ARCA. As of December 31, 2022, the Company owed $40,000,000 under the ARCA.

As of December 31, 2021, the Company owed $33,215,000 under the Credit Facility. During the years ended December 31, 2022 and 2021, the Company incurred interest of $4,474,392 and $1,099,797, respectively, of which $458,232 and $nil were outstanding as of December 31, 2022 and 2021, respectively. During the years ended December 31, 2022 and 2021, the Company did not pay any utilization fees. As of the date of this filing, the Company is in default on the credit facility with Cortland.

During the years ended December 31, 2022 and 2021, pursuant to the Credit Facility, the Company paid Cortland a financing fee of $0 and $83,750, respectively, and a commitment fee of $48,750 and $251,250, respectively. In addition, during the year ended December 31, 2021, the Company issued 500,000 common shares, at a fair value of $320,000, and 1,000,000 share purchase warrants to purchase 1,000,000 common shares on or before July 30, 2026 at an exercise price of $0.58 per share. As of December 31, 2022 and 2021, the value of the warrants was $505,000 and $92,000 based on the Black-Scholes option pricing model using the following assumptions:

	As of December 31,	
	2022	**2021**
Risk free interest rate	4.16%	0.83%
Estimated volatility	108%	108%
Expected life	3.50 years	5.00 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

During the years ended December 31, 2022 and 2021, the Company also reimbursed $nil and $100,000, respectively, to Cortland for due diligence costs incurred.

During the years ended December 31, 2022 and 2021, the Company also incurred financing facilitation fees of $73,500 and $450,000, respectively, associated with the Credit Facility from arms-length third parties.

In total, the Company has incurred financing transaction costs totaling $1,419,250. During the year ended December 31, 2022 and 2021, the Company expensed $(5,750) and $1,425,000, respectively. As of December 31, 2022 and 2021, $nil and $285,000, respectively, remained unamortized.

16. Term Loans Payable

Loans payable as of December 31, 2022 and 2021 consisted of the following:

	As of December 31, 2022		
Lender	**Amara**	**Sapientia**	**Total**
Principal	$ -	$ -	$ -
Less: unamortized discount	-	-	-
Total loans payable	-	-	-
Less: current portion	-	-	-
Term loans payable, long-term portion	$ -	$ -	$ -
Interest payable	$ -	$ -	$ -

(Expressed in Canadian Dollars)

16. Term Loans Payable (continued)

	As of December 31, 2021		
Lender	**Amara**	**Sapientia**	**Total**
Principal	$ 6,707,532	$ 3,189,241	$ 9,896,773
Less: unamortized discount	(401,004)	(104,723)	(505,727)
Total loans payable	6,306,528	3,084,518	9,391,046
Less: current portion	(6,306,528)	(3,084,518)	(9,391,046)
Term loans payable, long-term portion	$ -	$ -	$ -
Interest payable	$ -	$ -	$ -

a. Amara Promissory Note

The Amara Promissory Note accrues interest at a rate of 0.18% per annum and is repayable in scheduled quarterly installments of US $1,325,000 principal plus interest for a period of 24 months from the date of issuance, subject to the Company's right to accelerate payment at any time without penalty and the Company's obligation to prepay the full amount of the Amara Promissory Note in the event the Company completes any transaction (including any issuance of debt in excess of US $50,000,000) resulting in the Company's receipt of net proceedsin excess of US $30,000,000. The Company's obligations under the Promissory Note are secured by a share pledge in respect of certain of the Amara Series A Shares issued to the Company pursuant to the Initial Amara Investment.

As discussed in Note 13(a), the Company failed to make payments on the Amara Promissory Note subsequent to December 31, 2022 and thus failed to fulfill the purchase terms of the remaining 34% equity ownership. As a result, payments totaling $5,300,000 USD through December 31, 2022 were considered to be payment in full for the Amara Promissory Note.

The Company determined that the rate implicit in the loan is at a market rate of 10% per annum. Accordingly, the Company recorded an initial benefit of the below-market interest rate loan of $497,628 to profit or loss. As of December 31, 2022 and 2021, the unamortized balance of the debt discount was $nil and $401,004, respectively. During the years ended December 31, 2022 and 2021, the Company recognized interest expense of $412,406 and $95,726, respectively, the consolidated statement of loss and comprehensive loss.

b. Sapientia Obligation

The Company was obligated to pay an initial US $6,400,000 on the acquisition of Sapientia, of which US $1,000,000 was paid on closing and US $1,000,000 paid on August 31, 2021. The remaining US $4,400,000consideration was to be paid as to US $2,000,000 on or before October 31, 2021 and US $2,400,000 on or before December 31, 2021 (the "Original Sapientia Obligation"). On October 25, 2021 the Company negotiated an extension and revision of the remaining US $4,400,000 consideration. Under the revised payment terms the Company agreed to pay a revised total of US $4,520,000 (the "Revised Sapientia Obligation"), of which US $1,000,000 was paid on October 31, 2021, and December 31, 2021 and US $840,000 was paid on each of February 28, 2022, April 30, 2022, and June 30, 2022. As of December 31, 2022 and 2021, $nil and $3,047,974 (US $2,520,000), respectively, remained outstanding. The incremental $148,315 (US $120,000) consideration has been expensed as part of interest expense and financing costs.

In the event the Company fails to make or makes a late payment, subject to a five-day grace period, on any of the payments a late penalty of 5% of the unpaid amount will be assessed and will be immediately due.

The holders of the Sapientia obligations are shareholders of the Company. The Company determined that the rate implicit in the loan is at a market rate of 10% per annum. Accordingly, the Company recorded an initial benefit of the below-market interest rate loan of $190,977 to contributed surplus. During the years ended December 31, 2022 and 2021, the Company recorded interest expense of $107,701 and $205,327, respectively, and a loss on loan modification of $nil and $30,143, respectively, in the consolidated statement of loss and comprehensive loss.

17. Share Capital

a. Authorized Share Capital

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(Expressed in Canadian Dollars)

17. Share Capital (continued)

b. Reconciliation of Changes in Share Capital

On January 15, 2021 the Company completed a non-brokered private placement of 40,000,000 units at $0.075 per unit for total proceeds of $3,000,000. Each unit comprised one common share and one share purchase warrant entitling the holder to purchase an additional common share at a price of $0.15 per share on or before January 15, 2023. Certain directors and officers of the Company acquired a total of 4,133,334 units of the private placement.

The Company also issued 3,550,333 finders' units having the same terms as the private placement units. The units were recorded at a fair value of $266,275.

The Company incurred a total of $25,686 for filing fees and legal costs.

The Company issued 60,000 common shares for an ascribed value of $33,000 in settlement of outstanding accounts payable.

On December 23, 2021, the Company completed a brokered private placement of 9,272,727 special warrants of the Company at a price of $0.55 per special warrant for $5,100,000 gross proceeds (the "2021 Private Placement"). On April 25, 2022, the special warrants were exercised, for no additional consideration, into an aggregate of 10,403,995 units, consisting of 10,403,995 common shares of the Company and 5,201,997 common share purchase warrants. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.75 per share until December 23, 2024. The agents of the 2021 Private Placement (the "Agents") received an aggregate cash fee of $241,921. In addition, the Company granted the Agents 508,043 non-transferable compensation warrants (the "Compensation Warrants"). Each Compensation Warrant entitles the holder to purchase one unit (a "Compensation Warrant Unit") at an exercise price per Compensation Warrant Unit of $0.55 until December 23, 2024. In April 2022, the Compensation Warrants converted into shares and warrants. Due to the delay in converting, the holders of the Compensation Warrants were given a 10% bonus. As a result, 558,847 Compensation Warrant Units were issued for $279,424.

On February 14, 2022, the Company completed a non-brokered private placement of 6,690,666 units at $0.75 per unit for total proceeds of $5,018,000. Each unit comprised one common share and one half share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at a price of $1.00 per share on or before February 14, 2025.

c. Normal Course Issuer Bid

On April 30, 2021 the Company filed a normal course issuer bid (the "2021 NCIB") which authorized the Company to repurchase for cancellation up to 4,473,534 common shares. The 2021 NCIB expired on April 30, 2022. On June 21, 2022, the Company announced its intention to proceed with a NCIB (the "2022 NCIB") to repurchase for cancellation up to 7,686,777 common shares. The 2022 NCIB commenced June 27, 2022 and expired June 26, 2023. During the years ended December 31, 2022 and 2021 the Company repurchased a total of 322,500 common shares for $240,667 cash consideration underthe NCIB. Common shares repurchased and cash consideration paid under the 2022 NCIB and the 2021 NCIB during the years ended December 31, 2022 and 2021 are as follows:

	2022 NCIB		2021 NCIB	
During the Year Ended	**Common Shares Repurchased**	**Cash Consideration**	**Common Shares Repurchased**	**Cash Consideration**
December 31, 2021	322,500	$ 240,667	-	$ -
December 31, 2022	420,500	73,236	262,500	103,596

No shares were repurchased under the 2022 NCIB subsequent to December 31, 2022.

d. Warrants

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants as of December 30, 2022 and 2021 and the changes for the years ended on those dates is as follows:

(Expressed in Canadian Dollars)

17. Share Capital (continued)

	Number	Weighted Average Exercise Price
Balance, December 31, 2020	**-**	**$ -**
Issued	44,550,333	0.16
Exercised	(17,556,667)	0.15
Cancellations	-	-
Expired	-	-
Balance, December 31, 2021	**26,993,666**	**0.17**
Issued	9,106,175	0.83
Exercised	(10,834,231)	0.15
Cancellations	-	-
Expired	-	-
Balance, December 31, 2022	**25,265,610**	**$ 0.53**

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable as of December 31, 2022:

Number	Exercise Price	Expiry Date
15,159,435	$ 0.15	January 15, 2023
558,847	$ 0.55	December 23, 2024
1,000,000	$ 0.58	July 30, 2026
5,201,995	$ 0.75	December 23, 2024
3,345,333	$ 1.00	February 15, 2025
25,265,610		

e. Share Option Plan

On February 26, 2021 the Company's Board of Directors approved a rolling share option plan (the "Rolling Share Option Plan") as a replacement to the Company's Fixed Share Option Plan. Under the Rolling Share Option Plan the maximum number of common shares which can be reserved for issuance is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options shall not be less than the price determined in accordance with CSE policies while the Company's shares are listed on the CSE. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During the year ended December 31, 2021 the Company granted share options to purchase 8,200,000 common shares and recorded share-based compensation expense of $1,404,701 on the vesting of share options granted. The fair value of the share options granted was estimated using the Black-Scholes Option Pricing Model using the following assumptions: risk-free interest rate of 0.28% to 0.90%; estimated volatility of 112% to 122%; expected life of 1 year to 5 years; expected dividend yield of 0%; and an estimated forfeiture rate of 0%.

During the year ended December 31, 2022, the Company granted shares options to purchase 200,000 common shares and recorded share-based compensation expense of $522,682 on the vesting of the share options granted. The fair value of the share options granted was estimated using the Black-Scholes Option Pricing Model using the following assumptions: risk-free interest rate of 1.07%; estimated volatility of 115%; expected life of 2 years; expected dividend yield of 0%; and an estimated forfeiture rate of 0%.

The weighted average measurement date fair value of all share options granted and vested during the years ended December 31, 2022, and 2021,using the Black-Scholes Option Pricing Model, was $0.36, and $0.63 per option, respectively.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options as of December 31, 2022 and 2021 and the changes for the years ended on those dates is as follows:

(Expressed in Canadian Dollars)

17. Share Capital (continued)

	Number	Weighted Average Exercise Price
Balance, December 31, 2020	-	$ -
Granted	8,200,000	0.58
Exercised	-	-
Expired	(3,600,000)	0.56
Balance, December 31, 2021	**4,600,000**	**$ 0.59**
Granted	200,000	0.60
Exercised	-	-
Expired	(500,000)	0.88
Balance, December 31, 2022	**4,300,000**	**$ 0.56**

The following table summarizes information about the share options outstanding and exercisable as of December 31, 2022:

Number Outstanding	Number Exercisable	Exercise Price	Expiry Date
4,100,000	3,137,500	$ 0.56	February 26, 2026
200,000	-	$ 0.60	January 5, 2024
4,300,000	3,137,500		

The following table summarizes information about the share options outstanding and exercisable as of December 31, 2021:

Number Outstanding	Number Exercisable	Exercise Price	Expiry Date
4,100,000	1,212,500	$ 0.56	February 26, 2026
500,000	250,000	$ 0.88	August 30, 2022
4,600,000	1,462,500		

As of December 31, 2022, the total unrecognized compensation cost related to non-vested awards was $428,099, which is expected to be recognized over a weighted average period of approximately 0.2 years.

f. DSU Plan and RSU Plan

On October 24, 2016 a deferred share unit plan (the "DSU Plan") was approved by the Company's Board of Directorsand subsequently ratified by the Company's shareholders. Under the DSU Plan an eligible participant could elect to receive DSUs up to 100% of his or her annual base compensation. In addition, the Board could award additional DSUs to the participant. The maximum number of DSUs that could be awarded pursuant to the DSUPlan was 4,552,785 DSUs. On January 5, 2018 the Company awarded a total of 1,500,000 DSUs.

On December 14, 2020 the Company awarded a total of 500,000 DSUs which vested immediately. During the years ended December 31, 2022 and 2021 the Company recorded share-based compensation expense of $nil and $42,730, respectively, for the DSUs awarded on December 14, 2020 and the final vesting of DSUs which had been awarded during the year ended December 31, 2018.

On January 27, 2021 the Company issued 125,000 common shares of the Company on the partial redemption of DSUs by a former director of the Company, with the remaining 75,000 DSUs cancelled.

On February 26, 2021 the Company's Board of Directors approved a rolling restricted share unit plan (the "RSU Plan") as a replacement for the Company's DSU plan. Under the RSU Plan the maximum number of restricted shares units which can be awarded is 10% of the issued and outstanding common shares of the Company. RSUs awarded may be subject to vesting provisions as determined by the Board of Directors. The remaining 1,550,000 DSUs outstanding were transferred to the RSU Plan, with equivalent and no additional vesting, subject to the terms and provisions of the RSU Plan. Under IFRS 2, *Share-based Payment*, the transferring of the DSUs into RSUs are considered to be a modification and the Company has recognized additional share-based compensation expense of $337,250 during the year ended December 31, 2021.

(Expressed in Canadian Dollars)

17. Share Capital (continued)

During the year ended December 31, 2022, the Company issued 1,200,000 common shares upon redemption of RSUs. During the years ended December 31, 2022 and 2021, the Company recorded share-based compensation expense of $836,651 and $3,317,666, respectively, for the vesting of RSUs.

A summary of the Company's DSUs is as follows:

	Number of DSU's	Weighted Average Grant Date Fair Value	
Balance, December 31, 2020	**1,750,000**	**$**	**0.35**
Awarded	-		-
Redeemed	(125,000)		0.46
Cancelled	(75,000)		0.46
Transferred to RSU plan	(1,550,000)		0.33
Balance, December 31, 2021	**-**	**$**	**-**
Balance, December 31, 2022	**-**	**$**	**-**

A summary of the Company's RSUs is as follows:

	Number of RSU's	Weighted Average Grant Date Fair Value	
Balance, December 31, 2020	**-**	**$**	**-**
Awarded	9,470,000		0.35
Redeemed	(1,000,000)		1.01
Cancelled	(3,475,000)		0.55
Transferred from DSU plan	1,550,000		0.33
Balance, December 31, 2021	**6,545,000**	**$**	**0.51**
Awarded	400,000		0.20
Redeemed	(1,200,000)		0.46
Cancelled	-		-
Transferred from DSU plan	-		-
Balance, December 31, 2022	**5,745,000**	**$**	**0.49**

18. Interest Expense and Financing Costs

Interest expense and financing costs for the years ended December 31, 2022 and 2021 consisted of the following:

	For the Year Ended December 31,			
	2022		2021	
Interest on Amara Promissory Note (Note 16(a))	$	412,406	$	95,726
Interest on Sapientia Obligation (Note 16(b))		107,701		205,327
Loss on debt modification on Sapientia Obligation (Note 16(b))		-		30,143
NPI consideration (Note 13(b))		-		53,559,381
Cortland Financing transaction and financing costs (Note 15)		(5,750)		1,425,000
Interest on Cortland Facility (Note 15)		4,474,392		1,099,797
	$	**4,988,749**	**$**	**56,415,374**

19. Related Party Disclosures

a. Key management personnel include those persons having authority and responsibility for planning, directing andcontrolling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(i) The following amounts were incurred with respect to these positions:

(Expressed in Canadian Dollars)

19. Related Party Disclosures (continued)

	For the Year Ended December 31, 2022	2021
Salaries	$ 130,279	$ 56,087
Benefits	6,623	-
Professional fees	1,968,207	951,275
Share-based compensation on share options	253,333	650,844
Share-based compensation on DSUs	-	42,729
Share-based compensation on RSUs	188,162	967,159
Share-based compensation on transferring DSUs to RSUs	-	337,250
	$ 2,546,604	**$ 3,005,344**

As of December 31, 2022 and 2021, $1,198,877 and $5,000, respectively remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the years ended December 31, 2022 and 2021 the Company incurred a total of $104,500 and $211,295, respectively from Chase Management Ltd. ("Chase"), a private corporation owned by the Chief Financial Officer ("CFO"), for accounting and administration services provided by Chase personnel, excluding the CFO. As of December 31, 2022 and 2021, $12,887 and $5,000, respectively, remained unpaid and has been included in accounts payable and accrued liabilities.

During the years ended December 31, 2022 and 2021 the Company recorded $nil and $137,495, respectively, share-based compensation for share options, DSUs and RSUs granted to Chase, excluding the CFO.

(iii) During the years ended December 31, 2022 and 2021, the Company incurred a total of $853,125 and $293,372, respectively, by Dunn, Pariser & Peyrot ("Dunn"), a private corporation owned by the Vice-President of Finance, for accounting and administration services provided by Dunn. As of December 31, 2022 and 2021, $164,032 and $nil, respectively, remained unpaid to Dunn and has been included in accounts payable and accrued liabilities.

(iv) During the year ended December 31, 2022 and 2021, the Company incurred a total of $782,231 and $436,728, respectively, by McMillan LLP ("McMillan"), a law firm, of which a Director of the Company is a partner of McMillan, for legal services. As of December 31, 2022 and 2021, $995,386 and $nil remained unpaid to McMillan and has been included in accounts payable and accrued liabilities.

b. The Company has made ongoing advances to Rockshield Opportunities Corp. ("Rockshield Opportunities") a company which was initially incorporated as a wholly-owned subsidiary of the Company and of which its common shares were subsequently distributed to the Company shareholders. The advances are non-interest bearing and repayable on demand. As of December 31, 2022 and 2021, there was $nil outstanding. Certain of the Company's directors remain as directors of Rockshield Opportunities.

20. Income Taxes

Income (loss) before income taxes from continuing operations for the years ended December 31, 2022 and 2021 is comprised of the following:

	For the Year Ended December 31, 2022	2021
Income (loss) before income taxes:		
Domestic	$ 18,017,757	$ (68,144,807)
Foreign	(4,267,306)	(1,033,679)
Total	**$ 13,750,451**	**$ (69,178,486)**

The current and deferred income tax provision (benefit) are comprised of the following:

(Expressed in Canadian Dollars)

20. Income Taxes (continued)

	For the Year Ended December 31, 2022	2021
Current tax provision (benefit):		
Domestic	$ 517,931	$ -
Foreign	20,151	1,003
	538,082	1,003
Deferred tax provision (benefit)		
Domestic	(417,441)	-
Foreign	-	-
	(417,441)	-
	$ 120,641	**$ 1,003**

The Company is domiciled in Canada. A reconciliation of the expected tax computed at the 38% tax rate for Canada to the total provision for income taxes from continuing operations as of December 31, 2022 and 2021 is as follows:

	For the Year Ended December 31, 2022	2021
Expected tax at 27%	$ 3,712,622	$ (18,673,934)
State income taxes, net of federal income tax effect	1,003	1,003
Non-deductible expenses	381,411	1,566,723
Tax credits	(3,715)	-
Share issue costs	-	(78,829)
Non-controlling interests	(91,962)	-
Other adjustments	(557,799)	-
Change in unrecognized deferred tax asset	(4,477,284)	17,124,600
Change in unrecognized tax benefits	1,026,552	-
Foreign income tax differential	129,813	61,440
Provision (benefit) for income taxes	$ 120,641	$ 1,003

Deferred income taxes as of each of the following periods reflect the net tax effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred tax asset or liability as of December 31, 2022 and 2021 are as follows:

	For the Year Ended December 31, 2022	2021
Deferred tax assets:		
Non-capital losses	$ 7,954,584	$ 3,753,920
Investments in marketable securities	236,777	420,624
Share issue costs	250,034	66,758
Private investments	1,111,810	14,461,033
Equity investments	-	405,000
Loan receivable	-	360,450
Depreciation and amortization	31,508	33,819
Other	168	-
Total gross deferred tax assets	9,584,881	19,501,604
Valuation allowance	(9,584,881)	(19,501,604)
Net deferred tax assets	$ -	**$** -
Deferred tax liabilities:		
Depreciation and amortization	$ (7,151,342)	$ -
Net deferred tax liabilities	(7,151,342)	-
Net deferred tax liability	$ **(7,151,342)**	**$** -

In assessing the realizability of deferred tax assets of $9,584,881 as of December 31, 2022, management determined that it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of the

(Expressed in Canadian Dollars)

20. Income Taxes (continued)

deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Significant components of the Company's temporary differences, unused tax credits and unused tax losses that havenot been included on the consolidated statements of financial position are as follows:

	2022		2021	
	$	**Expiry Date Range**	**$**	**Expiry Date Range**
Investments in marketable securities	-	No expiry date	1,557,867	No expiry date
Share issuance costs	926,054	2022 to 2026	247,253	2022 to 2025
Depreciation and amortization	116,697	No expiry date	125,256	No expiry date
Private investments	4,117,814	No expiry date	53,559,381	No expiry date
Equity investments	-	No expiry date	1,500,000	No expiry date
Loan receivable	-	No expiry date	1,335,000	No expiry date
Unrealized gain on investments held	876,952	No expiry date	-	No expiry date
Non-capital losses	21,914,876	2034 to 2042	14,208,410	2034 to 2041
Total gross deferred tax assets	**27,952,393**		**72,533,167**	
Unrecognized deferred tax assets	(27,952,393)		(72,533,167)	
Net deferred tax assets	**-**		**-**	

Realization of a portion of the Company's deferred tax assets is dependent upon the Company generating sufficient taxable income in future years to obtain benefit from the reversal of temporary differences.

Management considered all available evidence under existing tax law and anticipated expiration of tax statutes and determined that unrecognized deferred tax assets of $9,584,881 and $19,501,604, respectively, was required as of December 31, 2022 and 2021 for those deferred tax assets that are not expected to provide future tax benefits.

At December 31, 2022 and 2021 we have available net operating loss carryforwards of approximately $21,914,876 and $12,835,900, respectively, for federal income tax purposes, all of which may be carried forward for up to 20 years and begin to expire in 2033. As of December 31, 2022 and 2021, we have available net operating loss carryforwards of approximately $nil and $1,424,849, respectively, for federal income tax purposes, all of which may be carried forward indefinitely.

As of December 31, 2022 and 2021 we have available net operating loss carryforwards of approximately $4,853,070 and $1,094,726, respectively, for US income tax purposes, all of which may be carried indefinitely and do not expire.

Uncertain Tax Positions

In accordance with authoritative guidance, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. We have no uncertain tax positions as of December 31, 2022 or 2021.

We recognize interest and penalties related to unrecognized tax positions within the income tax expense line in the accompanying consolidated statements of operations. There were no accrued interest and penalties associated with uncertain tax positions as of December 31, 2022 or December 31, 2021.

We are subject to Canadian income tax, and in the normal course of business, our income tax returns are subject to examination by the relevant taxing authorities. As of December 31, 2022, the 2018 through 2021 tax years remain subject to examination in Canada tax jurisdictions. However, to the extent allowed by law, the taxing authorities may have the right to examine the period from 2012 through 2022 where net operating losses and income tax credits were generated and carried forward and make adjustments to the amount of the net operating loss and income tax credit carryforward amount. The Company is not currently under examination by Canada.

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

(Expressed in Canadian Dollars)

21. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; and FVOCI. The carrying values of the Company's financial instruments are classified into the following categories:

		As of December 31,	
Financial Instruments	**Category**	**2022**	**2021**
Cash	Amortized cost	$ 6,536,199	$ 2,664,581
Accounts receivable	Amortized cost	11,183,202	-
Investments in marketable securities	FVTPL	-	459,402
Private investments	FVTPL	4,117,814	43,292,494
Loans receivable	Amortized cost	-	2,355,923
Accounts payable and accrued liabilities	Amortized cost	(8,708,539)	(262,450)
Loans payable	Amortized cost	-	(9,391,046)
Credit facility	Amortized cost	(40,000,000)	(33,215,000)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Fair Value

The fair values of the Company's financial assets and liabilities approximates the carrying amounts either due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

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

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

The recorded amounts for cash, advances receivable, accounts payable and accrued liabilities, loans payable and credit facility approximate their fair value due to their short-term nature and market interest rates. The recorded amounts for investments in marketable securities, private investments, at fair value through profit or loss, and loans receivable approximate their fair value. The fair value of investment in marketable securities under the fair value hierarchy is measured using Level 1 and Level 3 inputs. The fair value of private investments, at fair value through profit or loss, is measured using level 3 inputs.

(i) *Valuation techniques used to determine fair values*

Specific valuation techniques used to fair value financial instruments, specifically those that are not quoted in an active market. Plant-Based News Limited, Belle Pulses, Sapientia and Amara are private companies not traded on any public exchange and are considered level 3 assets because there is no market in which a share price can be readily observed. These are start up and development stage companies and, as such, the Company utilized a market approach:

(a) The use of quoted market prices in active or other public markets
(b) The use of most recent transactions of similar instruments
(c) Changes in expected operational milestones of the investee
(d) Changes in management, strategy, litigation matters or other internal matters
(e) Significant changes in the results of the investee compared with the budget, plan, or milestone

(ii) *Transfers between levels 2 and 3*

(Expressed in Canadian Dollars)

21. Financial Instruments and Risk Management (continued)

There were no transfers between levels 2 and 3 during the years ended December 31, 2022 and 2021.

(iii) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements (see above for valuation techniques adopted):

	Fair Value As of December 31,		Unobservable Inputs	Range of Inputs
Description	**2022**	**2021**	**December 31, 2022 (2021)**	**December 31, 2022**
Belle Pulses	$ -	$ 28,800,000	N/A (Timeline for milestones)	N/A
Sapientia	-	10,374,680	N/A (Timeline for milestones)	N/A
Amara	4,117,814	4,117,814	Timeline for milestones	N/A
	$ 4,117,814	**$ 43,292,494**		

(iv) Valuation processes

During the period in which the Company was characterized as an investment entity, the Investment Committee of the Company included a team that performs the valuations of all items required for financial reporting purposes, including level 3 fair values. This team collaborates with the CFO and the audit committee("AC"). Discussions of valuation processes and results are held between the CFO, AC and the valuation teamat least once every three months which is in-line with the Company's reporting requirements. The main Level 3inputs derived and evaluated by the Company's team are the timeline for expected milestones and assessmentof the technical matter relating to the technology.

The Company performed a sensitivity analysis on the carrying value of its Level 3 assets and noted that a 20% decrease would result in an approximately $823,563 decrease in fair value.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, advances receivable and loans receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and advances receivable is remote. The Company mitigates its credit risk in loans receivable by only providing loans to companies where it has detailed knowledge of the company's operations and business strategy.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company anticipates that it will need to secure additional funding to retire its indebtedness as they come due, or in the alternative, renegotiate terms of payment. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Liquidity Analysis as of December 31, 2022				
	Less than 3 Months	**3-12 Months**	**1 – 5 Years**	**Over 5 Years**	**Total**
Cash	$ 6,536,199	$ -	$ -	$ -	$ 6,536,199
Accounts receivable	11,183,202	-	-	-	11,183,202
Accounts payable and accrued expenses	(8,250,307)	-	-	-	(8,250,307)
Credit facility	-	-	(40,000,000)	-	(40,000,000)

(Expressed in Canadian Dollars)

21. Financial Instruments and Risk Management (continued)

	Liquidity Analysis as of December 31, 2021				
	Less than 3 Months	**3-12 Months**	**1 – 5 Years**	**Over 5 Years**	**Total**
Cash	$ 2,664,581	$ -	$ -	$ -	$ 2,664,581
Accounts payable and accrued expenses	(262,450)	-	-	-	(262,450)
Term loans payable	(2,647,910)	(6,743,136)	-	-	(9,391,046)
Credit facility	-	-	(33,215,000)	-	(33,215,000)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and demand deposits bear floating rates of interest. The interest rate risk on cash, loans receivable and loans payable are not considered significant.

(b) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavorable market conditions could result in dispositions of investments at less than favorable prices.

Poor performance the Company's investments couldadversely affect the Company's results.

(c) Foreign Currency Risk

The Company's functional currency is the Canadian Dollar. The Company maintains a US Dollar bank account to support the cash needs of its US operations. Management does not hedge its foreign exchange risk. As of December 31, 2022, 1 Canadian Dollar was equal to 0.74 US Dollar.

Balances are as follows:

	US Dollars	**CDN $ Equivalent**
Cash	$ 1,353	$ 1,832

Based on the net exposures as of December 31, 2022 and, assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's net loss being approximately $1,245,000 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its investments. 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 defines capital that it manages as share capital and amounts borrowed under the Credit Facility. The Company will continue to assess new investment opportunities as they arise and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

22. Supplemental Cash Flow Information

During the years ended December 31, 2022 and 2021, cash paid for interest and taxes were as follows:

(Expressed in Canadian Dollars)

22. Supplemental Cash Flow Information (continued)

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Cash paid for interest	$ 3,188,681	$ 1,083,496
Cash paid for taxes	$ 1,262,400	$ -

During the years ended December 31, 2022 and 2021 non-cash activities were conducted by the Company as follows:

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Operating activities		
Transaction costs	$ (48,750)	$ (53,559,381)
Financing costs	(285,000)	(712,500)
Investments in private entities	(62,176,348)	(2,394,860)
Accounts payable and accrued expenses	-	(33,000)
	$ (62,510,098)	**$ (56,699,741)**
Financing activities		
Issuance of share capital	$ 789,085	$ 14,105,097
Share issuance costs	(177,815)	(266,275)
Commitment to issue shares	-	41,620,369
	$ 611,270	**$ 55,459,191**

23. Events after the Reporting Period

a. Cortland Amendments

Subsequent to December 31, 2022, the Company entered into certain amendments with Cortland regarding the Credit Facility. See Note 15.

b. Amara Stock Repurchase

On November 22, 2023, the Company and PataFoods, Inc. ("Amara") entered into the Preferred Stock Repurchase Agreement, which gave the Company the option sell 953,134 shares of Series A-1 Preferred Stock to Amara. The company's option was effective until December 15, 2023. On December 14, Amara exercised the option and purchased 953,134 shares for $7.3442 a share for a total proceeds to the Company of $7,000,006.73. The Company retained 158,855 of Series A-1 Preferred Stock.

c. Sale of Sapientia

On June 23, 2023, the Company sold 100% of Sapientia for US $10,000,000 via a Membership Interest Purchase Agreement ("MIPA") with Superlatus. Superlatus was subsequently acquired by Trxade, Inc. (Nasdaq: MEDS), which resulted in the Company holding 5,177 shares of MEDS' Series B Preferred stock.

d. Bank of Canada Refinancing

On June 23, 2023, the Company announced that it had closed its refinancing initiative led by the Business Development Bank of Canada for $24,500,000, which was used to pay down the Credit Facility.