

**Albert Labs International Corp.
(Formerly ME Resources Corp.)**

**Condensed Consolidated
Interim Financial Statements**

Three and Six months ended June 30, 2022, and 2021

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of the interim financial statements by an entity's auditor.

Albert Labs International Corp. (Formerly ME Resources Corp.)
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	June 30, 2022	December 31, 2021
	\$	\$
ASSETS		
Current assets		
Cash	369,817	76,697
Amounts receivable (Note 3)	2,696	131,017
Prepaid (Note 4)	559,396	10,000
	931,909	217,714
Non-current assets		
Prepayment (Note 6)	142,679	128,666
Equipment and furniture (Note 6)	77,100	11,410
Total assets	1,151,688	357,790
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	418,128	706,117
Due to related parties (Note 8)	4,199	154,199
	422,237	860,316
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	7,859,030	1,791,575
Subscription received	-	18,037
Accumulated other comprehensive loss	(40,855)	-
Deficit	(7,088,814)	(2,312,138)
	729,361	(502,526)
Total shareholders' equity and liabilities	1,151,688	357,790

Note 1: Nature and operation and going concern

Authorized for issuance by the Board of Directors on August 29, 2022

/s/ Rob Kang
Director

/s/Chand Jagpal
Director

See accompanying notes to the condensed consolidated interim financial statements

Albert Labs International Corp. (Formerly ME Resources Corp.)
Condensed consolidated interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Expenses				
Amortization	3,787	1,014	4,643	1,014
Consulting and management	414,717	48,553	695,538	122,197
General and administration	17,256	24,839	76,057	26,869
Listing expenditures	(96,777)	-	2,930,277	-
Promotion and advertisement	86,928	26,638	110,516	37,322
Professional fees	92,499	29,944	142,272	44,028
Research	366,683	27,359	695,791	98,305
Salaries and wages	43,796	19,542	91,558	19,542
Travel	28,752	-	30,024	-
Net loss	(957,641)	(177,889)	(4,776,676)	(349,277)
Other comprehensive loss	(40,855)	-	(40,855)	-
Comprehensive loss	(998,496)	(177,889)	(4,817,531)	(349,277)
loss per share – basic and diluted	(0.01)	(0.00)	(0.08)	(0.01)
Weighted average number of outstanding common shares, basic and diluted	67,856,444	40,424,872	58,335,025	40,424,872

See accompanying notes to the condensed consolidated interim financial statements

Albert Labs International Corp. (Formerly ME Resources Corp.)
Condensed consolidated Interim Statements of Changes in Equity (Deficiency)
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Subscription received	Accumulated other comprehensive loss	Deficit	Total
	Number of shares	Amount \$				
Balance, December 31, 2020	38,663,800	693,675	-	-	(433,177)	260,498
Shares issued for cash	1,761,072	440,268	-	-	-	440,268
Loss for the period	-	-	-	-	(349,277)	(349,277)
Balance, June 30, 2021	40,424,872	1,133,943	-	-	(782,454)	351,489
Balance, December 31, 2021	43,055,398	1,791,575	18,037	-	(2,312,138)	(502,526)
Shares issued for cash, net of finder's fees of \$209,512	6,595,363	1,439,329	(18,037)	-	-	1,421,292
Shares issued for debt	6,606,192	1,651,547	-	-	-	1,651,547
Shares issued for prepayment of services	2,237,580	559,395	-	-	-	559,395
Share issuance to shareholders of MEC	9,668,734	2,417,184	-	-	-	2,417,184
Translation of subsidiary	-	-	-	(40,855)	-	(40,855)
Loss for the period	-	-	-	-	(4,776,676)	(4,776,676)
Balance, June 30, 2022	68,163,267	7,859,030	-	(40,855)	(7,088,814)	729,361

See accompanying notes to the condensed consolidated interim financial statements

Albert Labs International Corp. (Formerly ME Resources Corp.)
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

Six months ended June 30,	2022	2021
		\$
Operating activities:		
Loss for the period	(4,776,676)	(349,277)
Items not involve cash		
Amortization	4,643	1,014
Fees paid by issuance of shares	1,501,547	-
non-cash listing expenses	2,545,505	-
Changes in non-cash working capital items:		
- accounts payable and accrued liabilities	(287,989)	(6,824)
- prepaid	10,000	(18,435)
- Receivable	-	(126,074)
Cash used in operating activities	(1,002,970)	(499,596)
Financing activities		
Proceeds from shares subscription received	-	280,400
Proceeds from shares issuance	1,421,292	440,268
Cash provided by financing activities	1,421,292	720,668
Investing activities		
Acquisition of equipment	(70,333)	(13,524)
Prepayment for leasehold improvement	(14,013)	(100,000)
Cash used in investing activities	(84,346)	(113,524)
Effect of foreign exchange on translation of subsidiary	(40,856)	-
Net cash inflow	293,120	107,548
Cash, beginning of period	76,697	10,811
Cash, end of period	369,817	118,359

See accompanying notes to the condensed consolidated interim financial statements

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

3. NATURE AND CONTINUANCE OF OPERATIONS

Business Combination

The accompanying condensed consolidated financial statements have been prepared after giving effect to the reverse takeover (“RTO”) of ME Resources Corp. (“MEC”) by Albert Labs Inc. (“AL”) which was completed on March 10, 2022, whereby MEC has acquired AL as its wholly owned subsidiary. As the shareholders of AL acquired control of the combined entity, AL is considered the accounting acquirer of the RTO and AL is considered the accounting parent of MEC.

MEC was incorporated under the Business Corporation Act (British Columbia) on October 16, 2009. Before the Completion of the RTO, MEC’s shares commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol MEC.

Albert Labs Inc., (“AL”) was incorporated under the Business Corporation Act (British Columbia) on September 16, 2020. The Company’s head and registered office address is 201-6996 Merritt Avenue, Burnaby, BC, V5J 4R6.

MEC has changed its name to Albert Labs International Corp. (“AL Intl” or the “Company”) upon the completion of the RTO. The Company’s shares commenced trading on the CSE under the name ABRT commencing March 10, 2022.

At the date of acquisition, MEC did not meet the definition of a business and, accordingly, the transaction has been accounted for as an acquisition of assets by AL. The acquisition is accounted for in accordance with IFRS 2 *Share Based Payments* and IFRS 3 *Business Combination* (“IFRS 3”). MEC did not qualify as a business as defined in IFRS 3 as there were no substantive processes in place. The net assets and liabilities of MEC have been measured at their fair value on the acquisition date with the allocation of proceeds as follow:

Proceeds of acquisition	\$
Fair value of 9,668,734 common shares of AL issued to MEC’s shareholders	2,417,184
Assumption of accounts payable and due to related parties of MEC	481,549
	<u>2,898,733</u>

As the fair value of tangible and intangible assets held by MEC was \$Nil when the RTO was completed, the whole amount of proceeds of acquisition has been expensed as listing expenditures for the Company to list its common shares on the CSE.

The Company’s principal line of business is to research and develop drugs to ensure accelerated access to safe and effective psychedelic-assisted therapy for patients with urgent, unmet needs.

Going Concern

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company’s continuation as a going concern is dependent whether the Company can develop an economically viable business, and generate funds there from and/or raise equity capital to meet current and future obligations. The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Should the Company be unable to continue as going concern, the net realizable value of its assets may be materially less than the amounts on its statements of financial position.

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS(CONTINUED)

Covid

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* and should be read in conjunction with AL's annual financial statements for the year ended December 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These amended condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 29, 2022.

Basis of Preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements incorporate the accounts of the Company and its wholly owned subsidiaries, Albert Labs UK Ltd., a company incorporated in the United Kingdom. A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investees. All intercompany transactions and balances have been eliminated on consolidation.

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recognition and measurement of deferred tax assets.

The comparative figures of 2021 presented in these condensed consolidated financial statements belong to AL, which is the accounting parent of the RTO.

4. SIGNIFICANT ACCOUNTING POLICIES

Adoption of new accounting policies

The Company has not adopted new accounting policies since its recent year ended December 31, 2021

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's financial statements include:

- the classification of financial instruments;
- the assessment of the Company's ability to continue as a going concern; and
- the determination of the recoverability of the Company's deferred tax assets

Financial Instruments

Financial assets

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income ("FVTOCI") or measured at fair value through profit or loss ("FVTPL").

- (i) Financial assets measured at amortized cost – A financial assets that meets both of the following conditions is classified as a financial asset measured at amortized cost:
 - The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value less transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. The Company's cash and amounts receivable are financial asset measured at amortized cost.

- (ii) Financial assets measured at FVTP - A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company does not have financial assets measured at FVTPL.
- (iii) Financial assets measured at FVTOCI - A financial asset measured at fair value through other comprehensive income is recognized initially at fair value less transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. The Company does not have financial assets measured at FVTOCI.

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

Financial liabilities

(a) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(d) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities measured at amortized cost or measured at fair value through profit or loss.

- (i) Financial liabilities measured at amortized cost - A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at The Company's accounts payable and accrued liabilities, and due to related parties are financial liabilities measured at amortized cost.
- (ii) Financial liabilities measured at FVTPL- A financial liability measured at FVTPL is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company does not have any financial liabilities measured at FVTPL.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

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

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss per share

The Company presents the basic and diluted loss per share data for its common shares by dividing the loss by the weighted average number of common shares outstanding during the year. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The functional currency of Albert Labs UK Ltd. is the British Pounc ("GBP").

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's functional currency will be translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recorded to the Company's other comprehensive loss.

Property and equipment

Property and equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Amortization is calculated using the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

Class of property and equipment	Depreciation rate
Equipment	30 % declining balance

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

Current income tax:

Current income tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

As the fair value of tangible and intangible assets held by MEC was \$Nil when the RTO was completed, the whole amount of proceeds of acquisition has been expensed as listing expenditures for the Company to list its common shares on the CSE.

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

4. SHARE CAPITAL

Authorized share capital: An unlimited number of common shares without par value.

Issued and outstanding:

Six months ended June 30, 2022

Following common shares of the Company were issued:

- Issuance of 6,606,192 common shares at \$0.25 per shares to settle accounts payable and for services rendered.
- Issuance of 2,237,580 common shares at \$0.25 per shares to officers and consultants for their services to be rendered from the period July 1 to December 31, 2022. An amount of \$559,396 has been included to the Company's prepayment as at June 30, 2022.
- Issuance of 6,595,363 common shares at \$0.25 per share for cash with \$209,512 finder's fees paid.
- Issuance of 9,668,734 common shares to shareholders of MEC at \$0.25 per share for the RTO.

Fiscal 2021

The Company issued 4,391,598 common shares through private placement at \$0.25 per share for proceeds of \$1,097,900. The Company also received \$18,037 share subscription at \$0.25 per share.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2022	December 31, 2021
	\$	\$
Trade payables	353,128	668,660
Accrued liabilities	65,000	37,457
	<u>418,128</u>	<u>706,117</u>

6. PROPERTY AND EQUIPMENT

As of June 30, 2022 December 31, 2021, the Company had equipment of \$83,757 (12/31/2021 - \$13,424) with accumulated amortization of \$6,657 (12/31/2021- \$2,014) with a net carrying value of \$77,100 (2021/12-31 - \$11,410).

As of June 30, 2022 and December 31, 2021, the Company maintained an office and laboratory in Burnaby, BC, Canada. The landlord offers free rents to the Company throughout 2021 and there was not a rental agreement with this landlord. As at June 30, 2022, the Company's non-current prepayment included an amount of \$142,679 payment made to the landlord to renovate this premises (12/31/2021 - \$128,666). The Company is in the process of negotiating a lease agreement with the landlord.

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel and directors were as follows:

Six months ended June 30,	2022	2021
	\$	\$
Consulting fees	285,000	113,750

During six months ended June 30, 2022, all the consulting fees charged by related parties have been settled by Company's common shares at \$0.25 per share (Note 4).

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Due to Related parties	June 30, 2022	December 31, 2021
	\$	\$
Former directors	4,199	154,199

On March 10, 2022, the Company issued 600,000 common shares to settle the amount of \$150,000 due to related parties carried forward from 2021 (Note 4)

8. FINANCIAL INSTRUMENTS

Fair value

The fair value of the Company's financial assets and liabilities approximate their carrying amount due to their short terms to maturity.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held. The Company's cash is deposited in two banks with high creditworthy.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The Company's liquidity risk as assessed as high.

Interest Rate Risk

Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have material financial assets or liabilities that are exposed to fluctuation of interest rate. As a result, the exposure to interest rate risk is not significant.

Albert Labs International Corp. (Formerly ME Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS (CONTINUED)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at June 30, 2022 and December 31, 2021, the Company's exposure to foreign currency risk on its financial instruments is as follows:

	June 30, 2022		December 31, 2021	
Cash	GBP	23,000	GBP	20,139
Canadian dollar equivalent	\$	36,400	\$	35,000

A 10% change in the British Pound against the Canadian dollar at June 30, 2022 would have an impact of \$3,640 to the Company's comprehensive loss.