

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

**Condensed Consolidated  
Interim Financial Statements**

**Three and Nine months ended September 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)**

	<b>September 30,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash	105,466	76,697
Amounts receivable	2,696	2,696
Note receivable (Note 5)	12,000	12,000
Prepaid (Note 4)	279,698	559,396
	399,860	217,714
Non-current assets		
Prepayment (Note 7)	142,679	128,666
Equipment and furniture (Note 7)	74,778	11,410
<b>Total assets</b>	<b>617,317</b>	<b>357,790</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	425,128	706,117
Due to related parties (Note 8)	4,199	154,199
	429,327	860,316
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 4)	7,859,030	1,791,575
Subscription received	-	18,037
Accumulated other comprehensive loss	(46,481)	-
Deficit	(7,624,559)	(2,312,138)
	187,900	(502,526)
<b>Total shareholders' equity and liabilities</b>	<b>617,317</b>	<b>357,790</b>

*Note 1 : Nature and operations and going concern*

*Authorized for issuance by the Board of Directors on November 28, 2022*

*/s/ Rob Kang*  
*Director*

*/s/ Chand Jagpal*  
*Director*

**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		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Expenses				
Amortization	2,322	1,015	6,965	2,029
Consulting and management	344,348	165,343	1,039,886	287,540
General and administration	32,729	53,930	108,786	80,799
Listing expenditures	3,176	-	2,933,453	-
Promotion and advertisement	9,052	27,499	119,568	64,821
Professional fees	10,566	2,500	152,838	46,528
Research	41,279	3,666	737,070	101,971
Salaries and wages	67,176	40,033	158,734	59,575
Travel	25,097	-	55,121	-
Net loss	(535,745)	(293,986)	(5,312,421)	(643,263)
Other comprehensive loss	(5,626)	-	(46,481)	-
Comprehensive loss	(541,371)	(293,986)	(5,358,902)	(643,263)
loss per share – basic and diluted	(0.01)	(0.01)	(0.09)	(0.02)
Weighted average number of outstanding common shares , basic and diluted	68,163,267	40,424,872	61,715,459	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)**

	<b>Share capital</b>			<b>Accumulated other comprehensive loss</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number of shares</b>	<b>Amount \$</b>	<b>Subscription received \$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, December 31, 2020	38,663,800	693,675	-	-	(433,177)	260,498
Shares issued for cash	1,761,072	440,268	-	-	-	440,268
Subscription received	-	-	219,236	-	-	219,236
Loss for the period	-	-	-	-	(643,263)	(643,263)
<b>Balance, September 30, 2021</b>	<b>40,424,872</b>	<b>1,133,943</b>	<b>-</b>	<b>-</b>	<b>(1,076,440)</b>	<b>276,739</b>
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 settlement	7,724,982	1,931,244	-	-	-	1,931,244
Shares issued for prepayment of services (Note 4)	1,118,790	279,698	-	-	-	279,698
Share issuance to shareholders of MEC	9,668,734	2,417,184	-	-	-	2,417,184
Translation of subsidiary	-	-	-	(46,481)	-	(46,481)
Loss for the period	-	-	-	-	(5,312,421)	(5,312,421)
<b>Balance, September 30, 2022</b>	<b>68,163,267</b>	<b>7,859,030</b>	<b>-</b>	<b>(46,481)</b>	<b>(7,624,559)</b>	<b>187,990</b>

*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)**

<b>Nine months ended September 30,</b>	<b>2022</b>	<b>2021</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(5,312,421)	(643,263)
Items not involve cash:		
Amortization	6,965	2,029
Fees paid by issuance of shares	1,781,245	-
non-cash listing expenses	2,545,505	
Changes in non-cash working capital items:		
- accounts payable and accrued liabilities	(280,990)	(6,824)
- prepaid	10,000	(18,435)
- Receivable	-	(126,074)
<b>Cash used in operating activities</b>	<b>(1,249,696)</b>	<b>(792,567)</b>
Cash flows from financing activities		
Proceeds from shares subscription received	-	280,400
Proceeds from shares issuance	1,421,292	440,268
<b>Cash provided by financing activities</b>	<b>1,421,292</b>	<b>720,668</b>
Cash flows from investing activities		
Acquisition of equipment	(70,333)	(13,524)
Issuance of promissory note	(12,000)	-
Payment of prepayment for leasehold improvement	(14,013)	(100,000)
<b>Cash used in investing activities</b>	<b>(96,346)</b>	<b>(113,524)</b>
Effect of foreign exchange on translation of subsidiary	(46,481)	-
Net cash inflow	28,769	(185,423)
Cash, beginning of period	76,697	10,811
<b>Cash, end of period</b>	<b>105,466</b>	<b>(174,612)</b>

*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 Nine Months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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### 1. 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 Nine Months Ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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#### **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 condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 28, 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.*

#### **3. 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 Nine Months Ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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### 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 Nine Months Ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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### **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 Nine Months Ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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### **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:

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<b>Class of property and equipment</b>	<b>Depreciation rate</b>
Equipment	30 % declining balance

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

### Notes to the Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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### **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 Nine Months Ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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#### 4. SHARE CAPITAL

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

Issued and outstanding:

##### Nine months ended September 30, 2022

Following common shares of the Company were issued:

- Issuance of 7,724,982 common shares at \$0.25 per shares to settle accounts payable and for services rendered.
- Issuance of 1,118,790 common shares at \$0.25 per shares to officers and consultants for their services to be rendered from the period October 1 to December 31, 2022. An amount of \$279,698 has been included to the Company's prepayment as at September 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. NOTE RECEIVABLE

As at September 30, 2022, the Company's note receivable comprised solely of a promissory note advance to an arm's length entity. This unsecured promissory note has a principal of \$12,000, is payable on demand, and has an interest rate of 6% per annum.

#### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	\$	\$
Trade payables	359,327	668,660
Accrued liabilities	70,000	37,457
	<u>429,327</u>	<u>706,117</u>

#### 7. PROPERTY AND EQUIPMENT

As of September 30, 2022 December 31, 2021, the Company had equipment of \$83,757 (12/31/2021 - \$13,424) with accumulated amortization of \$8,979 (12/31/2021- \$2,014) with a net carrying value of \$74,778 (2021/12-31 - \$11,410).

As of September 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 September 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 Nine Months Ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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#### 8. RELATED PARTY TRANSACTIONS

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

<b>Nine months ended September 30,</b>	<b>2022</b>	<b>2021</b>
	\$	\$
Consulting fees	422,200	180,000

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During nine months ended September 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.

<b>Due to Related parties</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	\$	\$
Former directors	4,199	154,199

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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)

#### 9. 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 Nine Months Ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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**9. 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 September 30, 2022 and December 31, 2021, the Company's exposure to foreign currency risk on its financial instruments is as follows:

	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
Cash	GBP	6,900	GBP	20,139
Canadian dollar equivalent	\$	11,300	\$	35,000

A 10% change in the British Pound against the Canadian dollar at September 30, 2022 would have an impact of \$1,100 to the Company's comprehensive loss.