TRENCHANT CAPITAL CORP.

Consolidated Financial Statements

Six Months Ended September 30, 2023

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

Vancouver, Canada

November 29, 2023

Trenchant Capital Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	September 30, 2023		March 31, 2023
ASSETS				
Current assets				
Cash		$ 848,429	$	731,564
Accounts receivable	4	-		32,436
Other receivable		46,336		35,180
Prepaids		7,246		8,903
Convertible notes	4	500,000		500,000
		1,402,011		1,308,083
Long-term assets				
Property and equipment, net	5	251,782		283,769
Investment	3	165,651		375,925
TOTAL ASSETS		**$ 1,819,444**	**$**	**1,967,777**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	6,8	542,344	$	199,998
Lease liability, current portion	7	53,580		53,580
		595,924		253,578
Long-term Liabilities				
Lease liability	7	129,322		155,711
TOTAL LIABILITIES		**725,247**		**409,289**
SHAREHOLDERS' EQUITY				
Share capital	9	6,945,289		6,945,289
Share-based payment reserve	9	541,931		541,931
Deficit		(6,393,022		(5,928,732)
TOTAL EQUITY		**1,094,198**		**1,558,488**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,819,444**	**$**	**1,967,777**

Going concern (Note 1)

On behalf of the board:

"Eric Boehnke"
Eric Boehnke, Director

"Tom English"
Tom English, Director

Trenchant Capital Corp.
Consolidated Statements of Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

		Three month periods ended		Six month periods ended	
	Notes	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenues					
Interest income	5	$ -	$ 329,894	$ -	$ 643,169
Expenses					
Accretion		-	26,593	-	51,853
Business development		8,703	8,990	9,259	11,547
Consulting		145,350	1,260	290,700	2,205
Depreciation		20,810	17,309	40,553	34,618
General and administrative		17,059	(3,766)	33,655	7,704
Interest		2,877	247,309	5,951	494,743
Professional fees		94,799	19,873	122,499	45,376
Transfer agent and filing fees		6,408	9,118	9,691	27,768
		296,006	326,686	512,308	675,814
Other items					
Rental income		(13,844)	-	18,692	-
Gain (loss) on sale of investment	3	(80,593)	-	239,747	-
Unrealized gain (loss) on investment		(43,233)	-	(210,421)	-
Loss on equity investment	3	-	-	-	(650,000)
		(137,670)	-	48,018	(650,000)
Net and comprehensive income (loss) for the period		$ (433,676)	$ 3,208	$ (464,290)	$ (682,645)
Income (loss) per share – basic and diluted		$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)

Trenchant Capital Corp.
Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital				
	Number of Common shares	Common shares	Share-based payment reserve	Deficit	Total
Balance at March 31, 2022	**34,211,286**	**$ 6,945,289**	**$ 541,931**	**$ (4,760,869)**	**$ 2,726,351**
Comprehensive loss	-	-	-	(682,645)	(682,645)
Balance at September 30, 2022	**34,211,286**	**$ 6,945,289**	**$ 541,931**	**$ (5,443,514)**	**$ 2,043,706**
Balance at March 31, 2023	**34,211,286**	**$ 6,945,289**	**$ 541,931**	**$ (5,928,732)**	**$ 1,558,488**
Comprehensive loss	**-**	**-**	**-**	$ (464,290)	$ (464,290)
Balance at September 30, 2023	**34,211,286**	**$ 6,945,289**	**$ 541,931**	**$ (6,393.022)**	**$ 1,094,198**

Trenchant Capital Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Six months ended	
	September 30, 2023	September 30, 2022
Operating activities		
Net income (loss)	$ (464,290)	$ (682,645)
Adjustments for non-cash items:		
Accretion expense	-	51,853
Accrued interest expense	35,951	6,423
Depreciation	40,553	34,618
Unrealized gain on investment	210,274	650,000
Changes in non-cash working capital items:		
Advances	(11,156)	(35,180)
Receivables	32,436	(18,591)
Prepaid expenses	1,657	(1,657)
Interest receivable	-	202,517
Accounts payables and accrued liabilities	342,346	(820,329)
Net cash flows provided by (used in) operating activities	157,771	(612,991)
Investing activities		
Debentures		(500,000)
Sale of investment	-	-
Property and equipment	(8,566)	(13,095)
Repayment of loans	-	7,740,000
PIK receivable	-	991,611
Net cash flows provided by (used in) investing activities	(8,566)	8,218,516)
Financing activities		
Repayment of lease obligation	(32,340)	(42,120)
Repayment of debentures	-	(7,740,000)
Net cash flows provided by (used in) financing activities	(32,340)	(7,782,120)
Decrease in cash	116,865	(176,595)
Cash, beginning	731,564	883,389
Cash, ending	$ 848,429	$ 706,794

1. Nature and continuance of operations

Trenchant Capital Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on December 17, 2009 and trades on Canadian Stock Exchange ("CSE") under the symbol "TCC".

The Company's head office is located at suite 2380, 1055 West Hastings Street, Vancouver, BC, V6E 2E9.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has incurred losses for most of the years since its inception and had an accumulated deficit of $6,393,022 at September 30, 2023, which has been funded primarily by loans from related parties. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. Significant accounting policies and basis of preparation

The consolidated financial statements were authorized for issue and filings with the securities regulators on November 29, 2023 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements of the Company comply 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").

Revenue recognition

Interest income on loans is determined using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the income over the life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the initial carrying amount.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

2. Significant accounting policies and basis of preparation (cont'd)

The following table shows the classification of the Company's financial instruments under IFRS 9:

Asset or Liability	Classification
Cash	FVTPL
Interest receivable	Amortized cost
Convertible notes	FVTPL
Loans receivable	Amortized cost
Investment	FVTPL
Accounts payables	Amortized cost

Measurement

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

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 credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of 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.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments (cont'd)

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in the statements of comprehensive loss.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of comprehensive loss. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. As at Mach 31, 2023 and 2022, property and equipment consists of furniture and right of use assets which are amortized over their useful life estimated as follows:

Property and Equipment (cont'd)

Furniture and fixtures	straight line method over 5 years
Right of use assets	term of the lease

The depreciation expense for each period is recognized in the statements of comprehensive loss.

Basis of preparation

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments (cont'd)

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entity. Details of the controlled entity is as follows:

	Country of	Percentage owned*	
	incorporation	September 30,	March 31, 2023
0960128 B.C. Ltd.	Canada	100%	100%
1141864 B.C. Ltd.	Canada	100%	100%
Trenchant Energy Holdings Inc.	Canada	100%	100%
Trenchant Investment Corp.	Canada	100%	100%

*Percentage of voting power is in proportion to ownership.

Significant estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

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 recoverability and measurement of deferred tax assets.

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 applied in preparing the Company's financial statements are the assessment of the Company's ability to continue as a going concern, and the recoverability of deferred tax assets and loan receivable, useful life of property and equipment, and ability to control associated entities.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments (cont'd)

weighted average number of common shares outstanding for the calculation of diluted earnings (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.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current 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 income tax:

Deferred income tax is provided using the asset and liability method 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 income 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 income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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 financial statements are presented in Canadian dollars which is the Company and its subsidiaries' functional and presentation currency.

Foreign currency transactions are translated into 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 statement of comprehensive 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 loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments (cont'd)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right-of-use asset is measured based on the present value of the remaining lease payments at the initial application date, plus any initial direct costs incurred, and estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated from the initial application date using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the initial application date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option due to a significant event or change in circumstances.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. Investment in ASEP Medical Holdings Inc. ("ASEP")

During the six months ended September 30, 2023, the Company sold 648,500 ASEP shares for proceeds of $240,395 and recorded a realized gain of $239,747. During the year ended March 31, 2023, the Company sold 1,133,000 ASEP shares for proceeds of $439,808 and recorded a realized gain of $438,675. As at September 30, 2023, the fair value of the ASEP investment was $165,651 (March 31, 2023 - $375,925), resulting in an unrealized loss of $210,421 (2022 - $647,942).

	September 30, 2023	March 31, 2023
Beginning balance	$ 375,925	$ 1,025,000
Disposals	(239,600)	(439,808)
Realized gain on disposal	239,747	438,675
Unrealized loss on investment	(210,421)	(647,942)
	$ 165,651	$ 375,925

The table below summarizes the cost and fair value of investment in ASEP as at September 30, 2023 under IFRS9:

	Number of shares	Cost	Fair value
ASEP	721,500	$ 722	$ 167,651

4. Convertible notes

Investment in Nectar Health Sciences

On March 7, 2022, the Company subscribed to a convertible promissory note of Nectar Health Sciences Inc. (“Nectar”) for $250,000 bearing interest at 12% per year (the “Nectar Note”), maturing in a year. If Nectar completes any financing with gross proceeds of at least $500,000, the Company can covert the Nectar Note and accrued interest (the “Outstanding Amount”) into common shares of Nectar with the number of shares equal to the quotient of the Outstanding Amount divided by the conversion price, which equals to 75% of the offering price per share. If not converted, Nectar shall pay the Outstanding Amount in cash. If Nectar prepays any portion of the Outstanding Amount prior to the maturity date, the Outstanding Amount shall be increased to an amount equal to 110% of the Outstanding Amount and such additional amount shall be repaid in accordance with the terms of the Nectar Note as if it was the Outstanding Amount.

The convertible promissory note was classified as FVTPL at the fair value of $250,000 upon initial measurement. As at March 31, 2023, the convertible note was in default. The Company determined the fair value to be $100,000 by estimating the recoverable amount with an excepted loss recovery rate of 40%. Therefore, the Company recorded a $150,000 of change in fair value in the statement of comprehensive income (loss). At September 30, the fair value is $100,000.

Investment in CG International Petroleum Corp.

On August 3, 2022, the Company subscribed to an unsecured convertible promissory note of CG International Petroleum Corp. (“CGIC”) for $500,000 accruing interest at 10% per year with a maturity date of August 8, 2023 (“CGIC Note”). Pursuant to the CGIC Note, in the event that CGIC completes a reverse takeover (“RTO”), the principal amount of the CGIC Note and all accrued interest shall automatically convert into units of the listed issuer with the number of units equal to the quotient of the outstanding amount of the CGIC Note principal and all accrued interest divided by the conversion price, which equals to 70% of the initial listing price of the shares in the RTO. Each unit shall consist of one share of the listed issuer and such number of warrants of the listed issuer as is equal to the principal amount of the CGIC Note times 10% exercisable at the listing price, with each such warrant exercisable into one additional common share of the listed issuer with an exercise price equal to the listed issuers price per share in the RTO.

CGIC granted the Company the right to act as the RTO target. The Company and CGIC agreed to negotiate to enter into a letter agreement (“Letter Agreement”) outlining the terms of the proposed RTO within 30 days of the execution of the CGIC Note subscription. In the event the Company and CGIC fail to enter into the Letter Agreement, the Company has the right to (a) request the repayment of the principal with accrued interest and a 10% cash penalty within 30 days of CGIC receiving a written request from the Company or in the event the Company does not request repayment (b) a 10% increase in the value of the principal payment of the CGIC Note. As at March 31, 2023, CGIC and the Company have not entered into the Letter Agreement.

As at March 31, 2023, the Company determined that its fair value at $400,000 using the probability weighted expected return method using the following assumptions: loan to maturity discount of 30%, probabilities of RTO of 2% and loan maturity of 98%, and a risk free rate of 4.3%. Therefore, the Company recorded a $100,000 of change in fair value in the statement of comprehensive income (loss).

(Expressed in Canadian Dollars)

4. Convertible notes (cont'd)

The table below summarizes the convertible notes for the years ended September 30, 2023 and March 31, 2023:

	September 30, 2023	March 31, 2023
Beginning balance	$ 500,000	$ 250,000
Addition	-	500,000
Fair value adjustment	-	(250,000)
	$ 500,000	$ 500,000

5. Property and Equipment

	Equipment	Right of use	Total
Cost			
March 31, 2022	$ 60,865	$ 419,665	$ 480,530
Additions	61,625	-	61,625
Disposals	(150)	-	(150)
March 31, 2023	$ 122,340	$ 419,665	$ 542,005
Additions	8,566	-	8,566
September 30, 2023	130,906	419,665	550,571
Amortization			
March 31, 2022	$ (26,159)	$ (158,140)	$ (184,299)
Charge for the period	(16,877)	(57,060)	(73,937)
March 31, 2023	$ (43,036)	$ (215,200)	$ (258,236)
Charge for the period	(12,024)	(28,529)	(40,553)
September 30, 2023	(55,060)	(243,729)	(298,789)
Net book value			
March 31, 2023	$ 79,304	$ 204,465	$ 283,769
September 30, 2923	75,846	175,936	251,782

6. Accounts payable and accrued liabilities.

	September 30, 2023	March 31, 2023
Accounts payable (Note 8	$ 542,344	$ 199,998
Accrued liabilities (Note 8)	-	-
	$ 542,344	$ 199,998

(Expressed in Canadian Dollars)

7. Lease liabilities

On April 30, 2021, the Company entered into a new lease agreement for use of office premises. The term of lease is 5 years from November 1, 2021. The schedule of monthly payments is below:

	Monthly lease payment
November 1, 2021 to October 31, 2024	$ 5,390
November 1, 2024 to October 31, 2026	$ 5,659

On March 31, 2023 and 2022, the balance of the lease liability is as follows:

	September 30, 2023	March 31, 2023
Balance, beginning	$ 209,291	$ 265,210
Additions	-	-
Interest	5,951	14,213
Payments	(32,340)	(70,132)
Balance, ending	$ 182,902	$ 209,291

	September 30, 2023	March 31, 2023
Short term	$ 53,580	$ 53,580
Long term	129,322	155,711
Total	$ 182,902	$ 209,291

8. Related party transactions

The Company considers its officers (CEO and CFO) and directors to be key management. Key management are those persons having authority and responsibility for planning, directing, and controlling activities, directly or indirectly, of the Company.

Related party balances:

The following amounts are due from/(to) related parties:

	September 30, 2023	March 31, 2023
CFO (Note 6)	$ (7,875)	$ (2,625)
CEO (Note 6)	(150,453)	(47,250)
Directors (Note 6)	(293,300)	(98,100)
Companies with common management	-	38,253
	$ (481,682)	$ (109,722)

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(Expressed in Canadian Dollars)

8. Related party transactions (cont'd)

Key management personnel compensation

	September 30, 2023	March 31, 2022
CFO – Professional fees	$ 15,750	$ 31,500
CEO – Consulting fees	$ 94,500	$ 231,000
Directors – Consulting fees	$ 196,200	$ 436,000
Company with common management – rental income	$ 13,994	$ -

9. Share capital

Authorized share capital

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

At September 30, 2023 and March 31, 2023, there were 34,211,286 issued and fully paid common shares.

Basic and diluted loss per share

The calculation of basic income per share for the year ended September 30, 2023 was based on the loss attributable to common shareholders of $ 464,290 (income 2022- ($685,847)) and the weighted average number of common shares outstanding of 34,211,286 (2022- 34,211,286).

Stock options

On March 3, 2010, the directors of the Company consented to adopt a Company Share Option Plan (the "Plan"). The shareholders of the Company approved the Plan on September 8, 2011. The Plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares outstanding at the time of the granting of options. Such options may be exercisable for a period of up to 10 years from the date of the grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved.

for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

There are no stock options outstanding at September 30, 2023 and 2022.

(Expressed in Canadian Dollars)

9. Share capital (cont'd)

Share purchase warrants

The continuity of warrants for the year ended September 30, 2023 is as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance, September 30, 2023	14,950,000	$ 0.05
Balance, March 31, 2023	14,950,000	$ 0.05

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

Expiry date	Exercise price	Warrants outstanding	Weighted average remaining contractual years
March 24, 2024	$ 0.05	14,950,000	0.48

On January 30, 2023 the Company decreased the exercise price of the warrants issued in previous private placement from $0.115 to $0.05 and extended the expiry date from March 24, 2023 to March 24, 2024 with all other terms of the warrants to continue in full force.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

10. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 primary exposure to credit risk is on its cash held in a bank account. The cash is deposited in a bank account held with a major bank in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a

major bank that is a high credit quality financial institution as determined by rating agencies. Credit risk is assessed as low. Credit risk with respect to convertible notes is assessed as high as the Nectar Note is in default. Both Nectar and CGIC are startup companies with limited cash inflow from operation. The Company is working with Nectar and CGIC on collection of the convertible notes. The collection is uncertain.

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.

(Expressed in Canadian Dollars)

10. Financial risk and capital management (cont'd)

Historically, the Company's sole source of funding has been the issuance of equity and debenture securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity and debt funding. Liquidity risk is assessed as high.

The following table sets out liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Less than 1 year	$ 542,344	$ 53,580	$ 595,924
1-5 years	–	129,322	129,322
Balance at March 31, 2023	$ 542,344	$ 182,902	$ 725,246

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company had no exposure to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash on hand is subject to minimal interest rate risk. Interest rate risk is assessed as low.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2023	**March 31, 2023**
FVTPL:		
Cash	$ 848,429	$ 731,564
Investment	165,651	375,925
Convertible notes	500,000	500,000
	$ 1,514,080	$ 1,607,489

Financial liabilities included in the statement of financial position are as follows:

	September30, 2023	**March 31, 2023**
Non-derivative financial liabilities:		
Accounts payable	$ 542,344	$ 199,998

10. Financial risk and capital management (cont'd)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Financial instruments classified as level 1 – quoted prices in active markets include cash and investment. Financial instruments classified as level 3 include convertible notes.

11. Subsequent event

On October 31, 2023, the Company granted an aggregate of 4,750,000 incentive stock options to purchase up to 4,750,000 common shares of the Company to its directors under its Omnibus Equity Incentive Plan. The Options are exercisable for a period of two years from the date of grant, expiring on October 31, 2025, at a price of $0.05 per Share, and are fully vested.