A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, and Ontario ,but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus does not constitute a public offering of securities.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account of benefit of, any U.S. Persons.*

New Issue **February 17, 2022**

PRELIMINARY PROSPECTUS

FTC CARDS INC.

4,666,667 Common Shares and 2,333,333 Common Share Purchase Warrants issuable on deemed exercise of 4,666,667 Special Warrants at a price of $0.75 per Special Warrant and 24,410,506 Common Shares, 19,528,404 Contingent Rights and 2,683,333 Common Share Purchase Warrants issuable pursuant to a Share Purchase Agreement and 1,708,735 Common Shares issuable to certain arm's length finders

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This preliminary prospectus (the "**Prospectus**") is being filed with the securities regulatory authorities in British Columbia, Alberta, Saskatchewan and Ontario to qualify the distribution by FTC Cards Inc. (the "**Company**") of the following securities: (i) 4,666,667 common shares in the capital of the Company (the "**Common Shares**") and 2,333,333 Common Share purchase warrants (the "**Unit Shares"** and the "**Unit Warrants**", respectively) of the Company issuable upon the deemed exercise of 4,666,667 special warrants (the "**Special Warrants**") of the Company, (ii) 24,410,506 Common Shares (the "**Payment Shares**") issuable pursuant to a share purchase agreement dated September 26, 2021 (the "**Share Purchase Agreement**") among the Company, Beyond Oil Ltd. (Israel) ("**Beyond Oil Israel**") and the shareholders of Beyond Oil Israel pursuant to which the Company will acquire all of the issued and outstanding shares of Beyond Oil Israel, (iii) up to 19,528,404 contingent value rights issuable pursuant to the Share Purchase Agreement (the "**Contingent Rights**") which will convert into up to 19,528,404 Common Shares (the "**Deferred Payment Shares**") on the occurrence of certain milestones, (iv) 2,683,333 share purchase warrants (the "**Consideration Warrants**") issuable pursuant to the Share Purchase Agreement and convertible into Common Shares at an exercise price of $1.18 per Common Share for a period of 12 months from the date of issuance (the "**Consideration Warrant Shares**", and together with the Payment Shares, the Contingent Rights, the Deferred Payment Shares and the Consideration Warrants, the "**Consideration Securities**"), and (v) 1,708,735 finders' fee shares (the "**Finders' Fee Shares**" and together with the Unit Shares, the Unit Warrants, the Payment Shares, the Contingent Rights and the Consideration Warrants, the "**Qualified Securities**") issuable to certain arm's length finders in connection with the Share Purchase Agreement.

The Company issued 2,124,666 Special Warrants on February 4, 2022 , 283,599 Special Warrants on February 14, 2022, and contemplates completing a third distribution of an estimated 2,258,402 Special Warrants, for an aggregate offering of 4,666,667 Special Warrants and proceeds of $3.5 million (the "**Special Warrant Offering**"). Each Special Warrant was issued at a price of $0.75 per Special Warrant to purchasers in the provinces of British Columbia, Alberta and Saskatchewan on a private placement basis pursuant to certain prospectus exemptions under applicable securities legislation. The Special Warrants were issued under, and are governed by, the special warrant indenture (together, the "**Special Warrant Indenture**") dated as of February 4, 2022, among the Company and Endeavour Trust Company, as special warrant agent. Pursuant to the terms of the Special Warrant Indenture, the outstanding Special Warrants will be deemed to be exercised on the Conversion Date (as defined below). The Unit Warrants will be issued under and governed by the warrant indenture (the "**Warrant Indenture**") dated as of February 4, 2022, between the Company and Endeavour Trust Company, as warrant agent.

Each Special Warrant will be deemed exercised, without payment of any additional consideration and without any further action by the holder, for one unit of the Company consisting of one Common Share and one half of one Warrant on the Conversion Date. The Special Warrants and the conditions necessary for them to be converted into Unit Shares and Unit Warrants are described in more detail under the heading "*Plan of Distribution*" in this Prospectus. Each Unit Warrant entitles the holder to acquire one Common Share at a price of $1.25 per Common Share until the date that is 12 months from the Conversion Date.

The Qualified Securities are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Securities other than the exercise price payable upon exercise of the Unit Warrants and the Consideration Warrants.

The Company has applied to the Canadian Securities Exchange (the "**CSE**") for the listing of the Common Shares (the "**Listing**"). The CSE has not approved the Listing. Listing is subject to the Company fulfilling all the requirements of the CSE, including meeting all minimum listing requirements. There is no guarantee that the CSE will provide approval for the Listing and even if obtained, that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by Plus Market Groups plc).

There is no market through which the Qualified Securities may be sold and purchasers may not be able to resell the Qualified Securities. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "*Risk Factors*".

	Price	**Net Proceeds to the Company(1)**
Per Special Warrant	$0.75	$0.69
Total	**$3,500,000**	**$3,237,500.00**

Notes:

(1) Before deducting the legal, accounting, administrative and other expenses of the Company in connection with the Special Warrant Offering and after deducting total cash finder's fees of up to $262,500.00.

An investment in the Qualified Securities is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

The head office of the Company is located at 33157 Tunbridge Avenue, Mission, British Columbia, V2V 6X9 and the registered and records office of the Company is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Dr. Tamir Gedo, Jonathan Or, Shany Touboul, Dan Itzhaki and Moshe Cohen, each an officer or director of Beyond Oil Israel as of the date of this Prospectus, reside outside of Canada. Dr. Gedo, Mr. Or, Mr. Touboul, Mr. Itzhaki and Mr. Cohen have appointed the following agent for service of process:

Name of Agent	**Address of Agent**
McMillan LLP	Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7

Investors are advised that it may not be possible to enforce judgments obtained in Canada against any person that resides outside of Canada even if the party has appointed an agent for service of process.

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GLOSSARY

The following is a glossary of certain terms used in this Prospectus, including the summary hereof. Terms and abbreviations used in the financial statements and management's discussion and analysis included in, or appended to this Prospectus are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Additional Preferred Subscription Right**" has the meaning set forth under "*General Development and Business of the Company*".

"**Acquisition Proposal**" has the meaning set forth under "*The Proposed Transaction*".

"**Allocation Agreement**" means the allocation agreement entered into between Beyond Oil Israel and the Preferred Investors dated September 26, 2021.

"**Alternative Transaction"** means any of the following transactions: (1) the acquisition or purchase by any person or group of persons acting jointly or in concert of 20% or more of the assets of the Company or Beyond Oil Israel (on a consolidated basis) in a single transaction or a series of related transactions (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale or other disposition of 20% or more the assets of that party); (2) a reorganization, liquidation, winding-up, and in the case of the Company, a sale, issue or redemption of 20% or more of the total number of common shares or rights or interests therein or thereto or similar transactions involving the Company; (3) a merger, recapitalization, restructuring, reorganization, amalgamation, arrangement, joint venture or other business combination involving the Company or Beyond Oil Israel or any of its affiliates; or (4) any other extraordinary business transaction involving or otherwise relating to the Company or Beyond Oil Israel or any of its affiliates.

"**Arrangement Agreement**" has the meaning set forth under "*Corporate Structure*".

"**Audit Committee**" means the audit committee of the Company.

"**Audit Committee Charter**" means the Audit Committee's Charter, attached hereto as Exhibit "B".

"**Beyond Oil**" means the product owned and developed by Beyond Oil Israel to reduce FFA from oil while preserving the oil's quality and nutritional values.

"**Beyond Oil Israel**" means Beyond Oil Ltd. (Israel).

"**Beyond Oil Options**" means options to purchase common shares of Beyond Oil Israel, granted pursuant to the BOIL Option Plan which will be exchanged for Options pursuant to s. 2.08(a) of the Share Purchase Agreement.

"**Board**" means the Board of Directors of the Company.

"**BOIL Anti-Dilution Rights**" has the meaning set forth under "*General Development and Business of the Company*".

"**BOIL Option Plan**" means the Share Option Plan adopted by Beyond Oil Israel on June 24, 2021 in accordance with Section 102 of the Israeli Income Tax Ordinances.

"**BOIL Options**" means the options granted under the BOIL Option Plan.

"**BOIL Warrants**" has the meaning set forth under "*General Development and Business of the Company*".

"**Bridge Financing**" means the non-brokered private placement by the Company of 2,500,000 Common Shares at a price of $0.50 per Common Share for gross proceeds of $1,250,000 that closed in two tranches on November 5, 2021 and November 26, 2021.

"**Bridge Loan**" means the secured bridge loan of US$750,000 made to Beyond Oil Israel by the Company pursuant to the Bridge Loan Agreements.

“**Bridge Loan Agreements**” means, collectively, the promissory note purchase agreement and the security agreement between the Company and Beyond Oil Israel dated November 15, 2021 in respect of the Bridge Loan.

“**Business Day**” means a day other than Saturday, Sunday or a statutory holiday in British Columbia, Canada.

“**CEO**” means Chief Executive Officer.

“**CFO**” means Chief Financial Officer.

“**Clawback Shares**” has the meaning set forth under “*The Proposed Transaction*”.

“**Common Share**” means a common share in the capital of the Company.

“**Company**” means FTC Cards Inc., a company incorporated on March 9, 2012 under the *Business Corporations Act* (British Columbia).

“**company**” means unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Consideration Securities**” means, collectively, the Payment Shares, the Contingent Rights, the Deferred Payment Shares, the Consideration Warrants and the Consideration Warrant Shares.

“**Consideration Warrant Shares**” means the Common Shares issuable on exercise of the Consideration Warrants.

“**Consideration Warrants**” means the 2,683,333 warrants to be issued to the former shareholders of Beyond Oil Israel pursuant to the terms of the Share Purchase Agreement at closing of the Proposed Transaction, with each Consideration Warrant exercisable, subject to adjustment in accordance with the terms of the certificate representing the Consideration Warrants, for one Common Share at an exercise price of $1.18 per Common Share for a period of 12 months from the date of issue.

“**Contingent Rights**” means the up to 19,528,404 contingent value rights to be issued pursuant to the Share Purchase Agreement at closing of the Proposed Transaction which will convert into the Deferred Payment Shares on the satisfaction of the Deferred Payment Milestones.

“**Conversion Date**” means the date on which each Special Warrant will automatically convert, without the payment of any additional consideration, into one Common Share and one half of one Warrant on the date that is the earlier of: (i) the third business day after a receipt for a final prospectus qualifying the distribution of the securities issuable upon the conversion of the Special Warrants, and (ii) 4 months and one day after the issue date of the Special Warrants.

“**COVID-19**” means the outbreak of a novel strain of coronavirus which was declared to be a global pandemic by the World Health Organization on March 11, 2020.

“**CSE**” or the “**Exchange**” means the Canadian Securities Exchange operated by the CNSX Markets Inc.

“**CSE Policies**” means the policies of the Exchange, along with all guidance, instruction, and direction of the Exchange.

“**CTF**” means CTF Technologies Inc.

“**Deck Agreement**” means the consulting agreement entered into among the Company, Deck Family Assets Corp. and Bruce Deck dated November 8, 2021.

“**Deferred Payment Milestones**” means the milestones to be achieved by the Resulting Issuer in order for the Contingent Rights to convert to Deferred Payment Shares pursuant to the terms of the Share Purchase Agreement, as further set out under “*Description of Securities Distributed – Contingent Rights*”.

“**Deferred Payment Shares**” means the Common Shares to be issued on conversion of the Contingent Rights.

“**DRS**” means the Direct Registration System.

"**Escrow Agent**" means Endeavor Trust Corporation.

"**Escrowed Securities**" means the securities of the Company to be held in escrow and released over a 36-month period pursuant to the Escrow Agreement.

"**Escrow Agreement**" means the NP 46-201 escrow agreement to be entered into on or before the Prospectus Receipt Date among the Company, the Escrow Agent and certain shareholders of the Company and Beyond Oil Israel.

"**Expiry Date**" means the date an Option granted under the Stock Option Plan expires.

"**FDA**" means the U.S. Food and Drug Administration.

"**FFA**" means free fatty acid.

"**Finders' Fee Shares**" means the 1,708,735 Common Shares to be issued to certain finders pursuant to the Share Purchase Agreement.

"**First IP Assignment Amendment**" means the amending agreement entered into between Pinhas Or and Beyond Oil Israel dated June 17, 2021 pursuant to which certain terms of the IP Assignment Agreement were amended.

"**FleetCor**" means FleetCor Technologies Inc.

"**Form 51-102F6**" means Form 51-102F6 *Statement of Executive Compensation*.

"**Founders' Agreement**" means the founders' agreement pursuant to which Beyond Oil Israel was incorporated dated November 25, 2018, as amended on June 17, 2021, to acquire, develop and commercialize Beyond Oil.

"**GE**" means glycidol ester.

"**Gill Agreement**" means consulting agreement entered into between the Company and Tag Gill dated November 8, 2021.

"**GRAS**" means Generally Recognized as Safe with the FDA.

"**Insider**" means, in respect of a company:

(a) a director or senior officer of the company;

(b) a director or senior officer of the company that is an Insider or subsidiary of the company,

(c) a Person that beneficially owns or controls, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the company; or

(d) the company itself if it holds any of its own securities.

"**Investment Return Agreement**" has the meaning set forth under "*General Development and Business of the Company*".

"**IP Assignment Agreement**" means the agreement between Pinhas Or and Beyond Oil Israel dated November 25, 2018 pursuant to which Mr. Or assigned all of his rights in and to the intellectual property (including trade secrets) related to Beyond Oil to Beyond Oil Israel.

"**Jonathan Employment Agreement**" means the employment agreement entered into between Beyond Oil Israel and Jonathan Or dated June 8, 2021.

"**Listing**" means the listing of the Company's Common Shares on the CSE under the trading symbol "BOIL" or such other symbol approved by the Exchange.

"**Listing Date**" means the date that the Common Shares are listed on the CSE or another stock exchange recognized under provincial securities laws.

"**Material Adverse Effect**" means, with respect to the Share Purchase Agreement: (i) any change, effect, fact, circumstance or event which, individually or when taken together with any other changes, effects, facts, circumstances or events, could reasonably be expected to be materially adverse to the assets, liabilities, condition (financial or otherwise), business, properties or results of operation of the Company or Beyond Oil Israel, as applicable; or (ii) a material impairment of or delay in the ability of the Company or Beyond Oil Israel, as applicable, to perform their obligations thereunder or consummate the Proposed Transaction.

"**MD&A**" means management's discussion and analysis of financial condition and operating results.

"**Michal Employment Agreement**" means the employment agreement entered into between Beyond Oil Israel and Michal Werner dated May 30, 2021.

"**Named Executive Officers**" or "**NEOs**" has the meaning set forth under "*Executive Compensation*".

"**Nazerali Agreement**" means the consulting agreement entered into between the Company and Altaf Nazerali dated November 8, 2021.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees.*

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**Option**" or "**Options**" means options issued pursuant to the Stock Option Plan.

"**Payment Shares**" means the 24,410,506 Common Shares to be issued to the shareholders of Beyond Oil Israel pursuant to the Share Purchase Agreement at closing of the Proposed Transaction.

"**Penini Agreement**" means the consulting agreement entered into between the Company and Gad Penini dated November 8, 2021.

"**Person**" or "**Entity**" means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of a company, such syndicate or group will be deemed to be a Person or Entity.

"**Personal Representative**" means:

a) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

b) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.

"**Pinhas Consulting Agreement**" means the consulting agreement entered into between Beyond Oil Israel and Pinhas Or dated June 17, 2021.

"**Preferred Investors**" has the meaning set forth under "*General Development and Business of the Company*".

"**Preferred Share**" means a preferred share in the capital of the Company.

"**Promoter**" means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property will not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

"**Proposed Transaction**" means the acquisition by the Company of Beyond Oil Israel pursuant to the Share Purchase Agreement.

"**Prospectus**" has the meaning as set forth on the face page of this Prospectus.

"**Prospectus Receipt Date**" means the date that a receipt for a final prospectus qualifying the distribution of the Qualified Securities is issued to the Company from the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, and Ontario].

"**Purchased Shares**" has the meaning set forth under "*The Proposed Transaction*".

"**Qualified Securities**" has the meaning as set forth on the face page of this Prospectus.

"**Regulatory Authorities**" means all securities commission or similar securities regulatory bodies having jurisdiction over the Company.

"**Regulatory Rules**" means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of the Stock Option Plan or the Options granted from time to time thereunder, including, without limitation, those of the applicable Regulatory Authorities.

"**Reporting Issuer**" means, inter alia, a company that has issued securities in respect of which a prospectus was filed and a receipt was issued by a securities commission of a province in Canada, has any securities that have been listed and trading on an exchange in Canada or completed a takeover with a listed issuer.

"**Restricted Shares**" means the 234,704 ordinary shares of Beyond Oil Israel issued to a trustee on behalf of Dr. Tamir Gedo on June 24, 2021 for NIS 0.01 per ordinary share.

"**Resulting Issuer**" means the Company on closing of the Proposed Transaction.

"**SEDAR**" means the System of Electronic Document Analysis and Retrieval.

"**SEDI**" means the System for Electronic Disclosure by Insiders.

"**Seed Financing**" means the non-brokered private placement of the Company comprised of 12,000,000 Common Shares at a price of $0.05 per Common Share, for gross proceeds of $600,000 that closed on June 22, 2021.

"**Seed Loans**" means, collectively, the US$50,000 loan made by the Company to Beyond Oil Israel on July 7, 2021 and the US$105,000 loan made by the Company to Beyond Oil Israel on October 1, 2021.

"**Seed Loan Agreement**" means, collectively, the agreement dated July 7, 2021 and the amendment agreement dated October 1, 2021 among Beyond Oil Israel and FTC in respect of the Seed Loans.

"**Shany Employment Agreement**" means the employment agreement entered into between Beyond Oil Israel and Shany Touboul dated May 19, 2021.

"**Share Purchase Agreement**" means the share purchase agreement dated September 26, 2021 among the Company, Beyond Oil Israel and the shareholders of Beyond Oil Israel pursuant to which the Company will acquire all of the issued and outstanding securities of Beyond Oil Israel.

"**Shareholders**" means holders of Common Shares.

"**Special Warrant Agent**" means Endeavour Trust Company.

"**Special Warrant Certificate**" means a certificate representing Special Warrants.

"**Special Warrant Indenture**" means collectively, the special warrant indenture dated February 4, 2022 between the Company and the Special Warrant Agent, in respect of the Special Warrants .

"**Special Warrant Offering**" means the non-brokered private placement by the Company of 4,666,667 Special Warrants for gross proceeds of $3,500,000.

"**Special Warrantholder**" means holders of Special Warrants.

"**Special Warrants**" means the special warrants issued (or to be issued) by the Company at a price of $0.75 per Special Warrant, pursuant to the Special Warrant Offering entitling the holder thereof to acquire, for no additional consideration, one Unit pursuant to the terms and conditions of the Special Warrant Certificates and Special Warrant Indenture.

"**Stock Option Plan**" means the 10% rolling stock option plan of the Company providing for the granting of incentive stock options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange.

"**Tamir Employment Agreement**" means the employment agreement entered into between Beyond Oil Israel and Dr. Tamir Gedo dated June 28, 2021.

"**Termination Agreements**" has the meaning set forth under "*General Development and Business of the Company*".

"**Trade Secret Agreement**" means the agreement between Pinhas Or and Beyond Oil Israel dated January 11, 2021, as amended June 17, 2021, is respect of the trade secret assigned to Beyond Oil Israel pursuant to the IP Assignment Agreement.

"**Transfer Agent**" means Endeavor Trust Corporation, the transfer agent and registrar of the Company.

"**Unit**" means a unit of the Company, subject to adjustment in accordance with the Special Warrant Indenture, consisting of one Common Share and one half of one Warrant, issuable upon the deemed exercise of the Special Warrants.

"**Unit Shares**" means the Common Shares, one of which forms part of a Unit, issuable upon the deemed exercise of the Special Warrants.

"**Unit Warrants**" means the Common Share purchase warrants of the Company, one half of which forms part of a Unit, issuable upon the deemed exercise of the Special Warrants with each whole Warrant entitling the holder to acquire, subject to adjustment in accordance with the Warrant Indenture, one Common Share at a price of $1.25 per Common Share until the date that is 12 months from the Conversion Date.

"**U.S.**" or "**United States**" means the United States of America, its territories or its possessions, any state of the United States or the District of Columbia.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Warrant Agent**" means Endeavour Trust Company.

"**Warrant Indenture**" means the warrant indenture dated February 4, 2022 between the Company and the Warrant Agent on in respect of the Unit Warrants.

CURRENCY PRESENTATION

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to US$ are to United States (US) dollars. Canadian dollars are denoted as $ or C$. Israeli New Shekels are denoted as NIS.

The daily exchange rate on February 16, 2022, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US$1.00 equals $1.2686. The daily exchange rate on February 16, 2022, as reported by the Bank of Israel for the conversion of United States dollars into Israeli New Shekels was US$1.00 equals NIS 3.1890.

INTERPRETATION

Unless the context otherwise requires, all references in this Prospectus to “we”, “us”, “our” or the “Company” refer to FTC Cards Inc., a British Columbia company.

Certain capitalized terms and phrases used in this Prospectus are defined under “Glossary of General Terms”. Words importing the singular number include the plural, and *vice versa*, and words importing any gender include all genders.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains statements and information that, to the extent that they are not historical fact, may constitute “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This Prospectus uses words such as “may”, “would”, “could”, “will”, “likely”, “except”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook”, and other similar expressions to identify forward-looking information. These forward-looking statements include, among other things, statements relating to:

- the deemed exercise of the Special Warrants on the Conversion Date;
- the completion of the Proposed Transaction, including the Listing;
- Beyond Oil Israel’s expectations regarding commercial production of Beyond Oil;
- Beyond Oil Israel’s expectations about growth in the global cooking oil market;
- the Resulting Issuer’s anticipated cash needs and its needs for additional financing;
- Beyond Oil Israel’s competitive position and the regulatory environment in which it operates;
- Beyond Oil Israel’s expectations for the cost and timing of achieving its business objectives for the next 12 months;
- the executive compensation of the Resulting Issuer;
- the share capital of the Resulting Issuer;
- the Resulting Issuer’s ability to obtain additional funds if needed through the sale of equity or debt commitments.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this Prospectus include, without limitation:

- the ability to satisfy the conditions to closing of the Proposed Transaction, including the Listing;
- general business and economic conditions;
- Beyond Oil Israel’s ability to successfully execute, in a timely fashion, its business planand strategy (including achievement of its stated business objectives) ;
- the accuracy of cost estimates for satisfaction of Beyond Oil Israel’s stated business objectives
- the availability of financing on reasonable terms; and
- the Resulting Issuer’s ability to attract and retain skilled staff.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors. For a more detailed discussion of certain of these risk factors, see "*Risk Factors*".

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "Risk Factors" should be considered carefully by readers.

The Company does not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Prospectus was obtained from third party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the global food oil market and economy (including our opinions, estimates and assumptions relating to the same based on that knowledge). We believe that the market and economic data presented throughout this Prospectus is accurate and, with respect to data prepared by us or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Prospectus are not guaranteed and we do not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company:	The Company was incorporated under the name 0934977 B.C. Ltd. under the laws of the Province of British Columbia on March 9, 2012. On May 16, 2012, its name was changed to "FTC Cards Inc.". The Company was incorporated by CTF for the purposes of completing a reorganization whereby, pursuant to the terms of an Arrangement Agreement between CTF and FleetCor Technologies Inc. ("**FleetCor**"), FleetCor would acquire all of the shares of CTF from its existing shareholders and FTC Cards Inc. would be spun out from CTF. Following the completion of such transaction on July 3, 2012, the Company became a reporting issuer and was not listed on any exchange for trading in Canada or elsewhere. The Company previously, and in connection with the aforementioned spin out, held 90.5% of the equity of FTC Cards Processamento e Servicos de Fidelizacao Ltda., a Brazilian subsidiary engaged in the payment card processing business, which became inactive, and was subsequently sold to a major shareholder of the Company.
Beyond Oil Israel:	Beyond Oil Israel is a company incorporated under the laws of Israel on November 25, 2018. The head office and registered office of Beyond Oil Israel is located at 2 Reshit Hahityashvut Road, Kibbutz Yifat 3658300, Israel.
Business of the Company:	The Company has no active business and on completion of the Proposed Transaction, the business of Beyond Oil Israel will become the business of the Company. See "*General Development and Business of the Company*".
Business of Beyond Oil Israel:	Beyond Oil Israel is a food-tech company that has developed a solution, Beyond Oil, to reduce FFA from oil while preserving the oil's quality and nutritional value**.** Beyond Oil is added to the current oil production process to remove the FFA from oils at reasonably low temperatures. See "*General Development and Business of the Company – Beyond Oil Israel*".
Proposed Transaction:	The Company, Beyond Oil Israel and the shareholders of Beyond Oil Israel have entered into the Share Purchase Agreement pursuant to which the Company will acquire all of the issued and outstanding shares of Beyond Oil Israel in exchange for the Consideration Securities. Upon completion of the Proposed Transaction, Beyond Oil Israel will become a wholly-owned subsidiary of the Company.
The Special Warrant Offering:	Pursuant to the Special Warrant Offering, the Company anticipates issuing an aggregate of 4,666,667 Special Warrants for gross proceeds of $3,500,000, having previously issued an aggregate of 2,408,265 Special Warrants in tranches on February 4, 2022 and on February 14, 2022, 2022. See "*Plan of Distribution*" and "*Description of Securities Distributed*".
Issue Price:	C$0.75 per Special Warrant
Qualified Securities	This Prospectus is being filed to qualify the distribution of: (i) 4,666,667 Common Shares and 2,333,333 Unit Warrants upon the deemed exercise of 4,666,667 Special Warrants, (ii) 24,410,506 Payment Shares, (iii) 19,528,404 Contingent Rights, (iv) 2,683,333 Consideration Warrants, and (v) 1,708,735 Finders' Fee Shares.
Listing	The Company intends to list its Common Shares on the CSE under the trading symbol "BOIL" or such other symbol accepted by the CSE. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements. See "*Plan of Distribution*".
Use of Proceeds:	The Company will use the funds available to it, including the net proceeds from the Special Warrant Offering, to further its business objectives. Specifically, the Company will use the funds available to it as follows:

Principal Purpose	Amount to be Expended

Production Facility	$1,000,000
Research and Development	$850,000
Company Transaction Expenses	$200,000
Marketing and Sales	$500,000
General and Administrative Expenses	$500,000
Operating Expenses	$200,000
Beyond Oil Liabilities	$700,000
Unallocated Working Capital	$149,000
TOTAL	$4,099,000

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. See "*Use of Available Funds*".

Directors and Officers of the Company: The Board consists of Nir Eliyahu, Kyle Haddow, and Robert Kiesman. The officers of the Company consist of Robert Kiesman (CEO), Tag Gill (CFO) and Denise Landsberger (Corporate Secretary).

Selected Consolidated Financial Information:

Summary of Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements of the Company for the years ended December 31, 2020 and December 31, 2019 (audited), the interim financial statements of the Company for the nine months ended September 30, 2021(unaudited) and notes thereto included in this Prospectus and should be read in conjunction with the financial statements, notes thereto and related Management's Discussion & Analysis. All financial statements of the Company are prepared in accordance with IFRS. See "*Selected Financial Information and Management's Discussion and Analysis*".

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

Statement of Financial Position Data

	As at September 30, 2021 (unaudited) ($)	**As at December 31, 2020 (audited) ($)**	**As at December 31, 2019 (audited) ($)**
Cash	417,557	65,369	144,839
Other assets	77,421	1,186	191,086
Total assets	494,978	66,555	335,925
Liabilities	149,967	21,976	831,030
Shareholders' equity (deficiency)	345,011	44,579	(495,105)
Total liabilities and shareholders' equity	**494,978**	**66,555**	**335,925**

See "*Selected Financial Information and Management's Discussion and Analysis*".

Risk Factors: Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business prospectus, financial condition and results of operations. For a detailed description of these risks see "*Risk Factors*".

CORPORATE STRUCTURE

The Company

The Company was incorporated under the name 0934977 B.C. Ltd. under the laws of the Province of British Columbia on March 9, 2012. On May 16, 2012, its name was changed to "FTC Cards Inc.". The Company was incorporated by CTF for the purposes of completing a reorganization whereby, pursuant to the terms of an Arrangement Agreement (the "**Arrangement Agreement**") between CTF and FleetCor, FleetCor would acquire all of the shares of CTF from its existing shareholders and FTC Cards Inc. would be spun out from CTF. Such transaction was completed on July 3, 2012 and the Company became a reporting issuer and was not listed on any exchange for trading in Canada or elsewhere. Pursuant to the terms of the Arrangement Agreement, FTC acquired 90.5% of the equity of FTC Cards Processamento e Servicos de Fidelizacao Ltda. The minority 9.5% interest was subsequently cancelled, and the entity became a wholly owned Brazilian subsidiary engaged in the payment card processing business. This subsidiary became inactive, and was subsequently sold to a major shareholder of the Company following approval of the shareholders of the Company in November 2020. The head office of the Company is located at 33157 Tunbridge Avenue, Mission, British Columbia, V2V 6X9 and the registered and records office of the Company is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

The Company has no current subsidiaries.

Beyond Oil Israel

Beyond Oil Israel is a company incorporated under the laws of Israel on November 25, 2018. The head office and registered office of Beyond Oil Israel is located at 2 Reshit Hahityashvut Road, Kibbutz Yifat 3658300, Israel.

Beyond Oil Israel does not have any subsidiaries. Upon completion of the Proposed Transaction, it will be a wholly-owned subsidiary of the Company. See "*General Development and Business of the Company – Acquisition of Beyond Oil Israel*" and "*The Proposed Transaction*" for a description of the Proposed Transaction.

GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

The Company

Overview

The Company currently has no business; on completion of the Proposed Transaction, the business of Beyond Oil Israel will become the business of the Company.

Acquisition of Beyond Oil Israel

On September 26, 2021, the Company entered into the Share Purchase Agreement with Beyond Oil Israel and the shareholders of Beyond Oil Israel for the acquisition of all of the issued and outstanding shares of Beyond Oil Israel. The consideration payable for the acquisition of Beyond Oil Israel includes the issuance of the Payment Shares, the Contingent Rights, and the Consideration Warrants.

See "*The Proposed Transaction*" for a more detailed summary of the Proposed Transaction.

Three Year History

The Company's prior operations were in Brazil and involved processing of credit and debit cards, as well as payment cards. Specifically, the Company's primary contract was with the franchise gas stations of BR Petrobras and Raizen Combustiveis S.A. Such contracts ceased in October 2018, and subsequently no additional contracts were acquired.

In November 2020, the Company sold its only subsidiary, and subsequently had no business or assets.

Private Placements

The Company anticipates completing the Special Warrant Offering in three tranches, the first two of which have closed on February 4, 2022 and on February 14 , 2022. It is estimated that on completion of the third tranche, the Company will have issued an aggregate of 4,666,667 Special Warrants at a price of $0.75 per Special Warrant for aggregate gross proceeds of $3,500,000. See "*Plan of Distribution*" and "*Description of Securities Distributed*". Prior to that the Company completed the Seed Financings and Bridge Financing, each in contemplation of the Proposed Transaction.

Employment, Consulting and Management Agreements

The Company entered into a consulting agreement with Tag Gill on November 8, 2021 (the "**Gill Agreement**"). Pursuant to the Gill Agreement, Mr. Gill agreed to act as Chief Financial Officer of the Company until the closing of the Proposed Transaction for one-time cash payment of C$9,000.00 and a grant of 50,000 Options which were issued at an exercise price of $0.50 per share. After closing of the Proposed Transaction, Mr. Gill will resign as Chief Financial Officer and will provide advisory services on accounting matters on an as-needed basis at an hourly rate.

The Company entered into a consulting agreement with Altaf Nazerali on November 8, 2021 (the "**Nazerali Agreement**"). Pursuant to the Nazerali Agreement, Mr. Nazerali agreed to act as an advisor to the Company for a one-time cash payment of C$15,000.00 and a grant of 275,000 Options which were issued at an exercise price of $0.50 per share. Mr. Nazerali may also be paid for additional services on the terms set out in the Nazerali Agreement.

The Company entered into a consulting agreement with Gad Penini on November 8, 2021 (the "**Penini Agreement**"). Pursuant to the Penini Agreement, Mr. Penini agreed act as an advisor to the Company until the closing of the Proposed Transaction for a grant of 175,000 Options which were issued at an exercise price of $0.50 per share. Upon the closing of the Proposed Transaction, the Penini Agreement will automatically terminate and Mr. Penini will become a director of the Resulting Issuer.

The Company entered into a consulting agreement with Deck Family Assets Corp. and Bruce Deck on November 8, 2021 (the "**Deck Agreement**"). Pursuant to the Deck Agreement, Mr. Deck agreed to act as an advisor to the Company for a one-time cash payment of C$14,000.00 and a grant of 50,000 Options which were issued at an exercise price of $0.50 per share. After the completion of the Proposed Transaction, Deck Family Assets Corp. will be paid a retainer of C$3,000.00/month for advisory services.

Beyond Oil Israel

Overview

Beyond Oil Israel is a food-tech company that has developed a product to reduce FFA from oil while preserving the oil's quality and nutritional values ("**Beyond Oil**").

Beyond Oil is a disruptive easy-to-use technology that is added to the current production process to remove the FFA from oils at reasonably low temperatures. Using its patented process, Beyond Oil can eliminate the FFA from oils and fats. After eliminating FFA, the Beyond Oil complex can be removed using a pressure leaf filter or other suitable devices. Filtered oil can then be deodorized at a lower temperature (and hence lower energy usage) than in conventional processes to remove off-flavours. As such, Beyond Oil Israel's process is a green and environment-friendly solution.

For the last couple of decades, no disruptive innovation technology has emerged to remove the FFA from oils and fats without the use of harsh chemicals or high energy-intensive physical refining processes.

Final patents and proof of concept have been established in respect of vegetable oil and patent applications and initial testing has begun for the application of Beyond Oil to olive oil, palm oil and avocado oil. As such, Beyond Oil Israel is focusing on commercializing its product in the food service industry followed by the refining and premium oil industries.

History

Beyond Oil Israel was incorporated pursuant to the terms of a founders' agreement dated November 25, 2018 (the "**Founders Agreement**") to acquire, develop and commercialize Beyond Oil. To that end, in November 2018 and pursuant to the IP Assignment Agreement (as defined and described below), Beyond Oil Israel acquired a patent application in the United States, Europe, and Israel for Beyond Oil. The patents were subsequently granted in October 2020, May 2021 and August 2021, respectively.

Also on November 25, 2018, and in accordance with the terms of the Founders' Agreement, Beyond Oil Israel was capitalized by the issue of an aggregate of 2,270,800 ordinary shares, including 1,930,000 ordinary shares to Pinhas Or, as additional consideration for the intellectual property rights transferred under the IP Assignment Agreement.

On December 13, 2018, Beyond Oil Israel completed a private placement financing by issuing 81,388 ordinary shares at a price of US$3.07 per share for gross proceeds of US$250,000 and in connection therewith subscribers were granted anti-dilution protection (the "**BOIL Anti-Dilution Rights**") until Beyond Oil Israel completed additional financing raising gross proceeds of $2,000,000.

In January 2019, Beyond Oil Israel started conducting qualitative market research consisting of in-person in-depth interviews with oil producers in Greece, Spain, and East Africa at production facilities and production process demonstrations. The purpose of the research was to study the economic and technical potential of Beyond Oil in cold press mill production sites.

In January 2019, Beyond Oil Israel also filed two provisional patents in the United States covering the application of Beyond Oil to olive and avocado oils (and has refiled annually in respect of avocado oil).

On February 8, 2019, Beyond Oil Israel completed a private placement financing by issuing 16,274 ordinary shares at a price of US$3.07 per share for gross proceeds of US$50,000 and in connection therewith subscribers were granted BOIL Anti-Dilution Rights.

In February 2019, Beyond Oil Israel commenced construction of its first production and research and development facility for Beyond Oil in Israel, which was completed in October 2019.

On February 25, 2019, separation tests of Beyond Oil were performed by Alfa Laval, a leading global provider of heat transfer, separation, and fluid handling products at the Alfa Laval facility in Italy. The separation tests were conducted on olive and palm oils and confirmed that there are no formula residues in the oils after the separation process.

On February 27, 2019, Beyond Oil Israel signed a letter of intent to license Beyond Oil to a leading worldwide palm oil producer. Pursuant to the agreement, the parties will collaborate to evaluate and adapt Beyond Oil on a laboratory and industrial scale.

On June 25, 2019, the Beyond Oil Israel executed an exclusive distributor agreement with R50 Commercial & Consulting S.L., a leading Spanish distributor for distribution of Beyond Oil for application to olive oil in Spain and Portugal. In August 2019, Beyond Oil Israel filed a patent application in Spain and Greece covering the application of Beyond Oil to olive oil.

On July 1, 2019, Beyond Oil Israel completed a private placement financing by issuing 101,922 ordinary shares at a price of US$3.24 per share for gross proceeds of US$330,000 and in connection therewith subscribers were granted BOIL Anti-Dilution Rights.

On August 28, 2019, Beyond Oil Israel won its first Israel Innovation Authority Grant and received the sum of NIS 924,099.

On September 11, 2019, Beyond Oil Israel completed a private placement financing by issuing 19,608 ordinary shares at a price of US$5.10per share for gross proceeds of US$100,000 and in connection therewith subscribers were granted BOIL Anti-Dilution Rights.

On October 2, 2019, Beyond Oil Israel completed a private placement financing by issuing 12,847 ordinary shares at a price of US$7.01 per share for gross proceeds of US$90,000.

On December 15, 2019, Beyond Oil Israel completed a private placement financing by issuing 34,396 ordinary shares at a price of US$6.97 per share for gross proceeds of US$200,000 and in connection therewith subscribers were granted BOIL Anti-Dilution Rights.

In January 2020, Beyond Oil Israel filed a patent application in the United States, Europe, and Israel covering the application of Beyond Oil to olive oil.

In March 2020, Beyond Oil Israel expanded its market research with in-depth interviews and production process demonstrations with oil producers in South America and East Africa. The purpose of the research was to study the economic and technical potential of Beyond Oil in avocado oil mill production sites.

On March 24, 2020, Beyond Oil Israel won its second Israel Innovation Authority Grant and received the sum of NIS 1,045,654. In May 2020, it received regulatory approvals for its production facility.

On September 9, 2020 Beyond Oil Israel completed a private placement financing by issuing 63,388 Preferred Shares and 31,694 share purchase warrants (the "**BOIL Warrants**") to the subscribers (such subscribers being, the "**Preferred Investors**") at a price of US$6.31 per share for gross proceeds of US$400,000 and in connection therewith the Preferred Investors were granted the right to subscribe for an additional 47,541 Preferred Shares at a price of US$6.31 upon Beyond Oil Israel achieving certain revenue targets (the "**Additional Preferred Subscription Right**").

On October 27, 2020, Beyond Oil Israel was granted a registered patent by the Greece Intellectual Property Office for the application of Beyond Oil to cold press olive oil.

In December 2020, Beyond Oil Israel determined to focus on the food service industry as its first market for the application of its technology.

In April 2021, Beyond Oil Israel performed a proof-of-concept evaluation of its frying application and had it evaluated by a leading company in quality validation processes and by a foodservice restaurant chain. Both organizations confirmed that Beyond Oil reduces FFA levels as expected.

On May 7, 2021, Beyond Oil Israel entered into a letter of intent with Valor Invest Ltd. and CapitalLink Ltd. for the Proposed Transaction.

On May 21, 2021, Beyond Oil Israel amended its exclusive distributor agreement with R50 Commercial & Consulting S.L. to address the COVID-19 pandemic, add its avocado oil application of Beyond Oil, provide for the possibility of adding further applications for Beyond Oil and increase the scope of the agreement by adding territories.

In May and June 2021 and in preparation for a transaction such as the Proposed Transaction, the Company entered into the First IP Assignment Amendment, the Tamir Employment Agreement, the Jonathan Employment Agreement, the Pinhas Consulting Agreement and the Shany Employment Agreement, and made consequential changes to the Trade Secret Agreement and Founders Agreement, each as defined and described below.

In July 2021, Beyond Oil Israel received the results of a laboratory evaluation of its technology on palm oil and biodiesel, evidencing the efficacy of Beyond Oil in reducing FFA levels in all the tested oils to less than 0.1%.

On July 7, 2021, the Company advanced the first of two seed loans to Beyond Oil Israel in the amount of US$50,000.

On September 26, 2021, Beyond Oil Israel and its shareholders entered into the Share Purchase Agreement for the Proposed Transaction. On or about September 26, 2021, and in connection with the execution and delivery of the Share Purchase Agreement, the Company also entered into the Allocation Agreement and an investment return agreement (the "**Investment Return Agreement**") with the Preferred Investors, and a termination agreement with the holders of the BOIL Anti-Dilution Rights (the "**Termination Agreements**").

Pursuant to the Allocation Agreement, the Preferred Investors agreed to exchange their Preferred Shares for (and in addition to any other consideration the Preferred Investors may be entitled to under the Share Purchase Agreement as a shareholder of the Resulting Issuer) Payment Shares and Consideration Warrants having an aggregate value of US$735,000 and US$210,000, respectively and the execution by Beyond Oil Israel of the Investment Return Agreement. The Preferred Investors also agreed and acknowledged that the BOIL Warrants shall expire upon the consummation of the Proposed Transaction and all previous agreements and understandings between the parties shall be revoked and cancelled as of the consummation of the Proposed Transaction, including the Additional Preferred Subscription Right.

Pursuant to the Investment Return Agreement, upon and subject to completion of the Proposed Transaction, the Preferred Investors shall be entitled to receive an amount equal to 25% of Net Sales, up to an aggregate amount of US$400,000, in each case allocated on pro-rata basis, where "Net Sales" means the gross revenue of the Resulting Issuer using cash accounting, or any entity that the Resulting Issuer controls during the immediately preceding year, less credits, refunds, returns and allowances (but not general administrative expenses and cost of goods sold).

Pursuant to the Termination Agreements, the holders of the BOIL Anti-Dilution Rights agreed to the termination of those rights upon and subject to the completion of the Proposed Transaction.

On October 1, 2021, the Company advanced the second of two seed loans to Beyond Oil Israel in the amount of US$105,000.

On November 15, 2021, the Company entered into the Bridge Loan Agreements in respect of the Bridge Loan of US$750,000 made to Beyond Oil Israel in three installments: (a) the first installment of US$450,000 was made on November 17, 2021; (b) the second installment of US$175,000 was made on December 22, 2021; and (c) the third installment of US$125,000 was made on January 24, 2022. The Bridge Loan is secured by all of the intellectual property rights of Beyond Oil Israel.

The Product

Beyond Oil is a filtering and processing product specially formulated using natural ingredient**s** that is added in powder form or slurry to, and mixed with, oil. The oil treatment is strictly physical and is based on selectivity to FFA adsorption onto the clay three-dimensional matrix. The FFAs remain adsorbed on the clay and removed by filtration. No chemical reaction is involved in the FFA adsorption process.

The amount of Beyond Oil used is based on the FFA to be removed. It is a stable and chemically inert product. Beyond Oil eliminates the FFAs from the oil in a physical process while preserving the oil's quality and nutritional values. Beyond Oil works at ambient temperature (effective > 24°C slightly higher temperature will reduce the viscosity of the oil making it easy to filter) and is a simple method to use, as set out below:

1. The required quantity of Beyond Oil based on FFA to be removed is added in powder form or as a slurry to the oil.
2. Beyond Oil is mixed into the oil. In a short period of time, FFA is eliminated to a level of less than 0.1% based on the input oil FFA.
3. The solid complex (Beyond Oil plus FFA/oil) is filtered out from the oil.
4. On an industrial scale, the Beyond Oil complex is filtered through a pressure leaf filter to recover the FFA/oil carried over with Beyond Oil.

The user can achieve value from the Beyond Oil product by integrating its usage into the user's individual unique production process. The incorporation of Beyond Oil to remove the FFAs at any production stage is eco- and human-friendly while creating value and increased profits for the manufacturer.

The Company's products will be branded under an umbrella brand and a portfolio of future products will also be branded functionally according to its unique selling proposition.

Product Regulation

Beyond Oil is made of safe ingredients that meet the specifications of applicable regulatory authorities as follows:

- all ingredients are Generally Recognized as Safe ("**GRAS**") with the U.S. Food and Drug Administration (the "**FDA**"); and
- all ingredients are permitted food additives under Codex Stan 192-1995 - *General Standard for Food Additives* with the World Health Organization and the Food and Agriculture Organization of the United Nations.

U.S. Food and Drug Administration

Beyond Oil is classified under the "Processing Aid" category of food additives under the applicable food and drug regulations of the FDA. All ingredients are GRAS for direct food use and, as such, Beyond Oil Israel is not required to submit notice or apply for any other license to the FDA to sell Beyond Oil in the United States.

Health Canada

Beyond Oil is classified as a "Processing Aid" under the applicable food and drug regulations in Canada which are treated differently than food additives or food ingredients. Processing aids do not require a pre-market review by Health Canada or declaration on the list of ingredients on prepackaged food items.

The Resulting issuer intends to obtain letters on a voluntary basis from the FDA and Health Canada to market Beyond Oil as a processing aid in the United States and Canada. Any such letter will be used for marketing purposes only and is not required by either regulatory authority.

European Union

Beyond Oil is also considered to be a processing and filter aid in the European Union (EU VO Nr. 1935/2004 and the FOOD CHEMICALS CODEX) and, as such, must be registered with governmental authorities.

Distribution Methods

In order to penetrate the food service market, Beyond Oil Israel does not intend to use a dedicated sales force but intends to enter into a partnering arrangement in every country with a leading supplier of equipment and/or cooking oil with a strong distribution network.

To distribute its product to the premium and refining industries, Beyond Oil Israel plans on collaborating with the leading players to integrate and adapt its products into their production process and according to their needs. Through this process, Beyond Oil Israel will provide the products to these partner facilities and deliver principal "how to use" guidance. The partner will implement the product on a high-scale industrial level in their production process. It is anticipated that the partner will benefit from a competitive advantage known as "first mover advantage" with preferred benefits compared to the market. Beyond Oil Israel will use the final application and the know-how to market the applications to others.

Stage of Product Development

In April 2021, Beyond Oil Israel performed a proof-of-concept evaluation of its frying application and had it evaluated by a leading specialist quality validation process and by a foodservice restaurant chain. Both organizations confirmed that Beyond Oil reduces FFA levels as expected.

Commercial sales are anticipated to begin in the second half of 2022. In preparation for commercial production, Beyond Oil Israel is currently focused on the following product development activities:

Product Adaptation:	Optimizing Beyond Oil to extend the oil's shelf life to the maximum possible days.
Process Adaptation:	Adapting Beyond Oil for the typical deep fryers and filters available in the foodservice industry to provide a practical, efficient, and simple-use filtration process.

The aggregate approximate costs for these product development activities are $850,000. See "*Business Objectives and Milestones"*.

Beyond Oil Israel also invests in research and development to improve existing products and to adapt the Beyond Oil formula for application in the refining and premium oils industries. Beyond Oil Israel's research and development team is based in Israel and is led by a Chief Technology Officer with relevant industry experience. See "*Directors and Officers*" for biographies of Beyond Oil Israel's senior management. There is no guarantee that Beyond Oil Israel will successfully develop the proposed products for the refining and premium oil industries. If developed, Beyond Oil Israel may not be able to reach a commercialization stage for any of these products in the ensuing 12 months or at all.

Production

Beyond Oil Israel produces Beyond Oil in its own dedicated facilities using raw materials delivered directly to it. Once produced and packaged, the product is shipped from Beyond Oil Israel's facilities to customers.

Beyond Oil Israel currently has a commercial production capacity of 8,000 tons in bulk 25kg bags per year; however, for sales to the foodservice industry, the factory is required to produce the Beyond Oil formula in smaller branded packages. As a result, Beyond Oil Israel is modifying its facility for commercial production of 8,000 tons of 9kg box units per year commencing in the first half of 2022.

Specialized Skill and Knowledge

Given the competitive nature of the industry, the expertise required to innovate in the industry, and the regulations surrounding food grade products, Beyond Oil Israel needs a strong management team led by seasoned executives and advisors with domain knowledge, experience, and specialized skills. Beyond Oil Israel's management and directors include industry and technical personnel, as described in the biographies of such individuals under the section "*Directors and Officers*" of this Prospectus. Competition for these skills is intense and Beyond Oil Israel's ongoing success is dependent on its ability to attract and retain skilled personnel. ISee "*Risk Factors*" for more details.

Components

The raw materials used in the Beyond Oil formula are not unique to any one supplier and are readily available and sourced on a competitive basis.

Intangible Properties

Beyond Oil Israel attaches significant importance to patents for the protection of new technologies, products and processes. Accordingly, the success of Beyond Oil Israel depends, in part, on its ability to obtain patents or rights thereto, to protect its commercial secrets and carry on its activities without infringing on the rights of third parties. Where appropriate, and consistent with management's objectives, patents are pursued once concepts have been investigated through appropriate laboratory work. In general, Beyond Oil Israel's approach to intellectual property is to file and/or license patents and patent applications as appropriate and to seek to obtain patent protection in the major markets, including Canada, the U.S. and major European countries.

In addition, all employees execute agreements containing confidentiality clauses and agree that any new intellectual property is owned by Beyond Oil Israel. Further, it is Beyond Oil Israel's practice to require its consultants and service providers to enter into agreements which provide that specified information obtained or developed during the relationship remains confidential and that any intellectual property, trade secrets, knowhow and work products belong to Beyond Oil Israel.

As stated above, pursuant to an agreement dated November 25, 2018, with Mr. Pinhas Or as the principal inventor of Beyond Oil, Mr. Or assigned all of his rights in and to the intellectual property related to the technology developed for reducing the degree of acidity in edible oils, including patent applications P-585188 and trade secrets (the "**IP Assignment Agreement**"). As consideration for the transfer of such rights, Beyond Oil Israel agreed to pay Mr. Or a royalty of 5% on all amounts received from the issuance of licenses for use/franchises, from the sale of the formula powder for the use of sub-license recipients worldwide, from making exits and from fund raisings after deducting customs, fees and other direct taxes levied on the products or services provided and paid by Mr. Or directly.

Since then, Beyond Oil Israel's intellectual property portfolio has been the result of in-house technology and product research and development.

In January 2021, Mr. Or also entered into an agreement for the use of a trade secret with the Company, pursuant to which Mr. Or agreed to documenting and depositing for safekeeping the trade secret underlying the technology of Beyond Oil assigned to Beyond Oil Israel pursuant to the IP Assignment Agreement (the "**Trade Secret Agreement**").

On June 17, 2021, in preparation for a transaction such as the Proposed Transaction, Beyond Oil Israel entered into an agreement amending the IP Assignment Agreement with Mr. Or (the "**First IP Assignment Amendment**"). The First IP Assignment Amendment reduced the royalty payable thereunder from 5% to 3% of net sales in the event that Mr. Or's engagement with Beyond Oil Israel is terminated by Beyond Oil Israel for any reason, other than cause. For this purpose, "net sales" is defined all revenues from the sale of all products or service, less any refunds or credits or allowances actually granted by Beyond Oil Israel. The aforementioned royalty is payable on a quarterly basis for period of 8 (eight) years following his termination or an exit event where "Exit Event" means the sale of all Beyond Oil Israel's shares or all or substantially all of Beyond Oil Israel's assets in one transaction or in a series of related transactions including by way of a perpetual license to be granted by Beyond Oil Israel or by way of merger the result of which is that Beyond Oil Israel's shareholders hold less than 50% of the shares and voting rights in the surviving entity, all at a minimum valuation of US$100,000,000 (one hundred million). For greater certainty, it was agreed therein that the Proposed Transaction with FTC will not constitute an Exit Event as defined above.

Beyond Oil Israel currently has a patent portfolio comprising the following owned patents and patent applications:

File Number	***Mark***	***Country Validation***	***Application Date Application Number***	***File Status***
P-585188-US	COMPOSITION FOR REDUCING ACIDITY	USA	26-Mar-2017 15/514,521	Registered (27/10/2020)
P-585188-EP		Europe	01-Oct-2015 EP15847074.2	Registered (12/05/2021)
P-585188-IL		Israel	01-Oct-2015 251394	Registered (01/12/2021)

P-584120-GR	COLD PRESSED OLIVE OIL HAVING FREE FATTY ACID CONTENT OF LESS THAN 0.1%	Greece	28-Aug-2019 20190100375	Registered (29/10/2020)
P-584120-EP		Europe	28-Jan-2020 EP20154197.6	Pending
P-584120-ES		Spain	29-Aug-2019 201930761	Pending
P-584120-US		USA	29-Jan-2020 16/775,331	Pending
P-584120-IL		Israel	28-Jan-2020 272326	Pending
P-584101-USP1	COLD PRESSED AVOCADO OIL HAVING FREE FATTY ACID CONTENT OF LESS THAN 0.1%	USA Provisional	13-Feb-2020 62/975,778	Pending

The registered patents in the table above provide protection until January 2035 (United States and Europe) and August 2039 (Greece), assuming all maintenance fees are paid, with the potential for patent term extensions and adjustments in specific jurisdictions that may result in additional years of protection in such jurisdictions.

Cycles

There are no significant seasonal aspects to the business of Beyond Oil Israel. In the opinion of management, the future proposed product lines are not expected to experience significant seasonal fluctuations in the proposed principal geographical markets. Notwithstanding the aforementioned, seasonal fluctuations in sales may occur and certain of the raw materials used in the production of Beyond Oil are minerals products and, as such, might be exposed to price fluctuation due to climate conditions and the effects of COVID-19 on supply chains.

Economic Dependence

Beyond Oil Israel's business is not currently dependent on any contract including any contract to sell the majority of its products or services or to purchase the majority of its requirements for goods, services or raw materials, or any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Changes to Contracts

Beyond Oil Israel does not expect to renegotiate or terminate any contracts or sub-contracts to which it is currently a party.

Environmental Protection

Given the nature of Beyond Oil Israel's operations, environmental protection requirements did not have any operational or financial effect on the capital expenditures, profit or loss or competitive position of Beyond Oil Israel in the current financial year nor is any effect expected in future years.

Employees

As of the date of this Prospectus, Beyond Oil Israel has approximately 11 employees and management consultants. Beyond Oil Israel engages consultants from time to time as required to assist in evaluating its interests and assisting with day-to-day operations.

Employment, Consulting and Management Agreements

Pinhas Or

On June 17, 2021, Beyond Oil Israel entered into a consulting agreement with Pinhas Or (the "**Pinhas Consulting Agreement**"). Pursuant to the Pinhas Consulting Agreement, Beyond Oil Israel agreed to engage Mr. Or to provide, and Mr. Or agreed to provide to Beyond Oil Israel, management services and serve as Beyond Oil Israel's Head of Research and Development on an 80% basis, for a monthly fee of NIS 50,000.

The Pinhas Consulting Agreement may be terminated by either party upon 180 days prior written notice, upon seven (7) days in the case of a material breach by either party or by the Company without notice in the event of a criminal offence by, or the death or disability of, Mr. Or. In case of termination of the Pinhas Consulting Agreement for any reason other than cause or material breach, Beyond Oil Israel will pay Mr. Or a sum equal to NIS 1,000,000.

Tamir Gedo

On June 28, 2021, Beyond Oil Israel entered into an employment agreement with Tamir Gedo pursuant to which Dr. Gedo agreed to serve as Beyond Oil Israel's Chief Executive Officer (the "**Tamir Employment Agreement**"). Pending completion of the Proposed Transaction, Dr. Gedo is engaged on a part-time basis at a monthly salary of NIS 50,000 and after the completion of the Proposed Transaction, Dr. Gedo will be engaged on a full-time basis at a monthly salary of NIS 60,000 in each case with standard benefits.

Dr. Gedo is also entitled to a special bonus of 1% of the value given to Beyond Oil Israel, its shares, its assets or its operations, as the case may be, upon the sale of all of Beyond Oil Israel's shares or all or substantially all of Beyond Oil Israel's assets in one transaction or in a series of related transactions including by way of a perpetual license to be granted by Beyond Oil Israel or by way of merger the result of which is that Beyond Oil Israel's shareholders hold less than 50% of the shares and voting rights in the surviving entity, and all at a minimum Company valuation of US$100,000,000 (one hundred million).

The Tamir Employment Agreement is for a non-fixed period and can be terminated by either party, prior to the completion of the Proposed Transaction, upon the notice period prescribed by applicable law and thereafter upon 180 days' notice.

Jonathan Or

On June 8, 2021, Beyond Oil Israel entered into the Jonathan Employment Agreement with Jonathan Or pursuant to which Mr. Or is employed on a full time basis as Beyond Oil Israel's Chief Marketing Officer at an annual monthly salary of NIS 20,000. Following the completion of the Proposed Transaction, Mr. Or's monthly salary will be increased to NIS 35,000 with standard benefits and, following Beyond Oil Israel generating cumulative revenue of $1,000,000 (one million), Mr. Or's monthly salary will be increased to NIS 45,000.

The Jonathan Employment Agreement is for a non-fixed period and can be terminated by Beyond Oil Israel upon 6 months' notice and by Mr. Or upon 60 days' notice.

Shany Touboul

On May 19, 2021, Beyond Oil Israel entered into an employment agreement with Shany Touboul pursuant to which Mr. Touboul is employed on a full-time basis as Beyond Oil Israel's Chief Financial Officer at an annual monthly salary of NIS 10,000 (the "**Shany Employment Agreement**"). Upon the completion of the Proposed

Transaction, Mr. Touboul will be entitled to a bonus of NIS 57,000 with an additional NIS 10,000 for each month between September 30, 2021 and the completion of the Proposed Transaction.

After completion of the Proposed Transaction, Mr. Touboul's monthly salary will be increased to NIS 27,000 with standard benefits and overtime remuneration of NIS 5,000 for 60 or more additional hours per month.

The Shany Employment Agreement is for a non-fixed period and can be terminated by either party, prior to the completion of the Proposed Transaction, upon the notice period prescribed by applicable law and thereafter upon 60 days' notice.

Michal Werner

On May 30, 2021, Beyond Oil Israel entered into an employment agreement with Michal Werner pursuant to which Ms. Werner is employed on a full-time basis as Beyond Oil Israel's Chief Technology Officer at annual monthly salary of NIS 10,000 (the "**Michal Employment Agreement**"). Upon the completion of the Proposed Transaction, Ms. Werner will be entitled to a bonus of NIS 40,000.

After completion of the Proposed Transaction, Ms. Werner's monthly salary will be increased to NIS 25,000 with standard benefits and overtime remuneration of NIS 3,000 for 60 or more additional hours per month. In addition, following Beyond Oil Israel generating cumulative revenue of $1,000,000 (one million) her monthly salary will be increased to NIS 45,000.

The Michal Employment Agreement is for a non-fixed period and can be terminated by either party, prior to the completion of the Proposed Transaction, upon the notice period prescribed by applicable law and thereafter upon 60 days' notice.

Foreign Operations

Beyond Oil Israel has its manufacturing and research and development centers in Israel. However, it plans to market and sell its product in the United States, Canada, Europe and Australia as well as other foreign markets. International operations are subject to certain additional risks inherent in conducting business outside of North America, including price and currency exchange controls, changes in currency exchange rates, limitations on foreign participation in local enterprises, expropriation, nationalization, and other governmental action. See "*Risk Factors*".

Bankruptcy and Similar Procedures

There is no, and there has not been any, bankruptcy, receivership or similar proceedings against Beyond Oil Israel, or any voluntary bankruptcy, receivership or similar proceedings by Beyond Oil Israel within the three most recently completed financial years or during or proposed for the current financial year.

Reorganizations

On September 26, 2021, Beyond Oil Israel and its shareholders entered into the Share Purchase Agreement with the Company for the reverse take-over of Beyond Oil Israel. Please see "*The Proposed Transaction*" for a description of the Proposed Transaction. It is anticipated that the Proposed Transaction will be completed on or aboutMarch 30, 2022.

Social or Environmental Policies

As of the date of this Prospectus, Beyond Oil Israel has not implemented social or environmental policies that are fundamental to its operations, such as policies regarding its relationship with the environment or with the communities in which it does business, or human rights policies.

Principal Markets

As of the date of this Prospectus, Beyond Oil Israel has identified the food service and refining industries as its initial target markets for Beyond Oil..

Food Service Industry

The food service and the industrial frying industry is a leading consumer of business-to-business cooking oils/fats. The cost of cooking oil is one of the major costs in frying operations and more than ever, the disposal of used cooking oil and packing materials are significant operational costs. During the frying process, the moisture in the food interacts with components of oils and fats, resulting in hydrolysis of the oil/fats used, which results in the development of FFA in the oil.

High FFA levels in frying oils accelerates the oil spoilage, reduces the oil's smoke point, and leads to faster oil quality deterioration. Further, frying increases peroxide value and unhealthy polar compounds. During the frying process, 15-35% of the oil is carried along with fried food, depending on the type of fried material. If the oil quality deteriorates due to increased FFA, it imparts an unpleasant flavour to the fried food and damages the food quality. High FFA levels in frying oils also accelerates the development of polar compounds. In many countries, there is a limit placed on the maximum level of polar compounds that may be present in frying oil, and once that limit is reached, the oil needs to be replaced. Disposal of used frying oil and packing materials is another issue the food industry must contend with, which raises cost and environmental issues.

There are, as a result, numerous advantages to reducing the FFA of the oil used for frying. Using Beyond Oil to remove FFA formed during the frying process:

- extends the number of "oil frying days" which reduces frying oil consumption dramatically and leads to increased profits;
- reduces the environmental impact of frying oil by reducing the amount of used frying oil that must be disposed of; and
- removes FFA developed during the frying process and delays the development of polar compounds.

Beyond Oil, therefore, offers retail food sector industry participants a significant cost reduction and opportunity to differentiate on the basis of healthier food and enhanced environmental responsibility.

Refining Industry

In the case of seed oils like soybean, sunflower, canola, grapeseed, and similar oils, most refining is done chemically using caustic soda to convert the FFA to soap and then removing the soap using a centrifuge. The recovered soap is then split using sulfuric/hydrochloric acid to form acid oil. The chemical refining process creates both alkaline and acidic effluents with high TDS (total dissolved solids) that need to undergo an expensive wastewater treatment process before disposal. The chemical refining process also destroys some of the valuable components present in the oil.

In high FFA oils like palm oil, physical refining at high temperatures is generally used to remove the FFA. However, high temperatures result in the development of glycidol ester ("**GE**") in palm oil, a serious problem faced by the industry due to food regulations that do not permit the presence of GE in food products. High-temperature refining is also energy-intensive and highly pollutive.

Premium Oil Industry

For many oils, it is desirable that they retain their natural aroma and flavonoids. However, the conventional chemical/steam refining process to remove the FFA results in an undesirable loss of aroma and flavor, as well as a reduction in nutritional value. Beyond Oil makes it possible for oil manufacturers to produce healthier oils at quality levels that do not exist in today's market, especially for oil that, during the refining process, loses its flavour such as olive, avocado, coconut, sesame, mustard, peanut/groundnut, among others. Reducing the FFA in these oils and fats to a very low level, while keeping the flavours and flavonoids intact, enhances the oil's quality and extends its shelf life by slowing the oil degradation process.

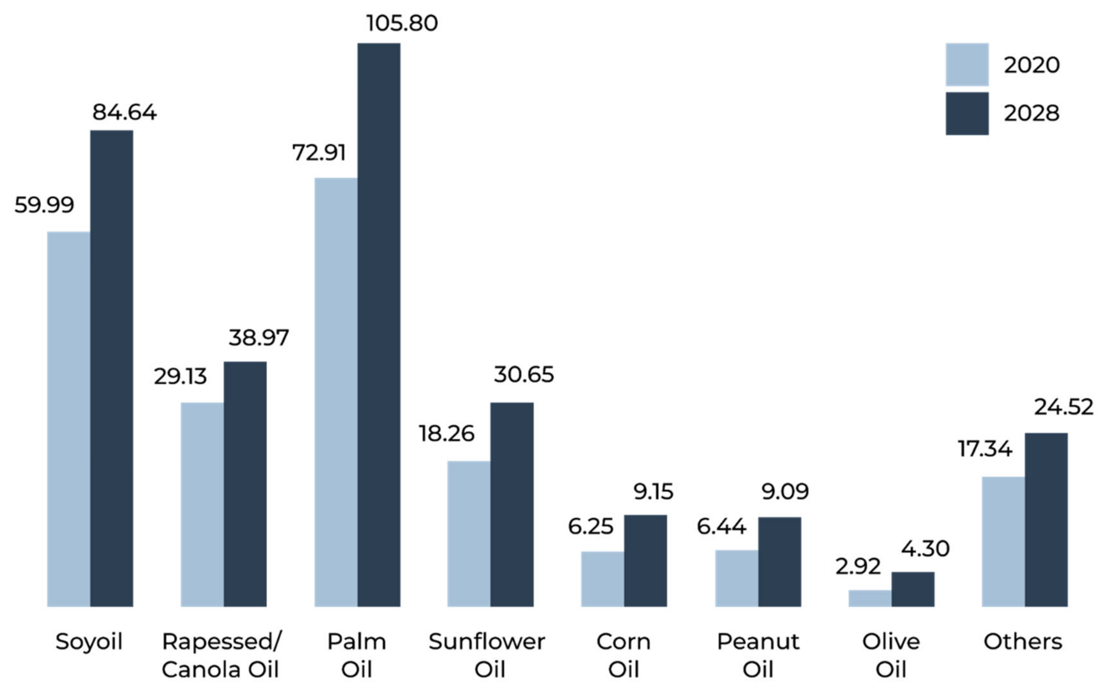
Additionally, not all seeds/fruits harvested are of good quality. In fact, a significant percentage of the oil produced contains a high level of FFA and does not meet the premium standard. This oil is sold to the refining and cosmetic industries at low prices.

Global Cooking Oil Market

The global cooking oil market was valued at US186.55 billion in 2020(1) and is projected to grow at a compound annual growth rate of 4.67% between 2021-2028(1). The North American market is projected to grow at a compound annual growth rate of 4.48% between 2021-2028(1) and comprise a 10.03% share of the global market by 2028(1). The global cooking oil market is dominated by Cargill, Incorporated, Archer Daniels Midland Company, Wilmar International Ltd. and Bunge Ltd. (1)[1]

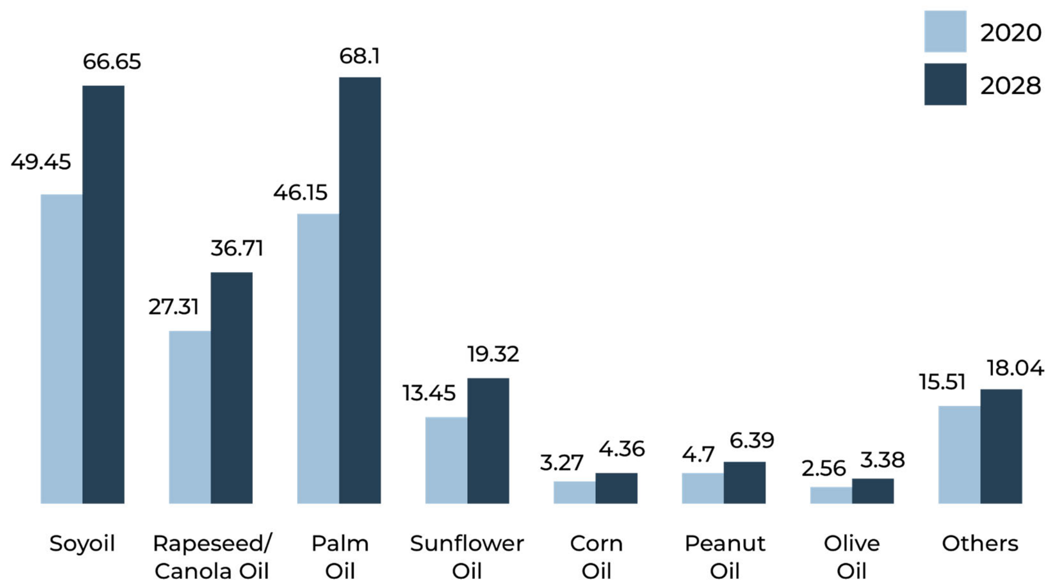
The increase in consumption of cooking oil worldwide is mainly attributed to factors such as the expansion of the food industry, along with an increase in per capita consumption of edible oils due to a significant rise in global population. Cooking oils are an indispensable ingredient in various culinary preparations and with changing consumer food preferences, the consumption of edible oils has been rising over the years.

Global Crude Vegetable Oil Production Market (Million Metric Tonnes), by type, 2020-2028(1).



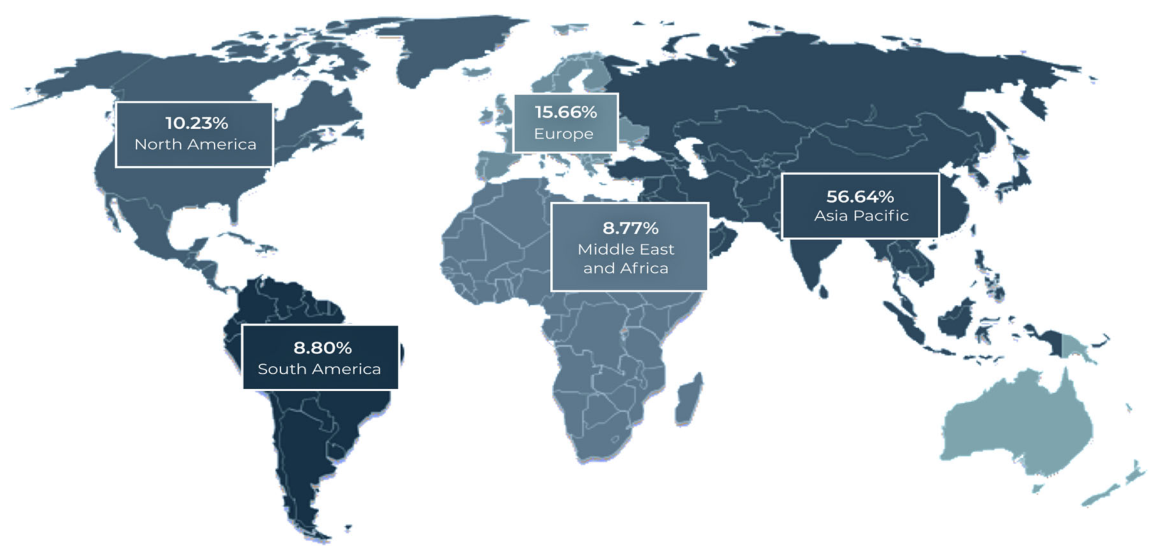
Global Cooking Oil Market Volume Share (Million Metric Tonnes), by type, 2020-2028(1).

[1] Fortune Business Insights Pvt. Ltd. Copyright © 2021



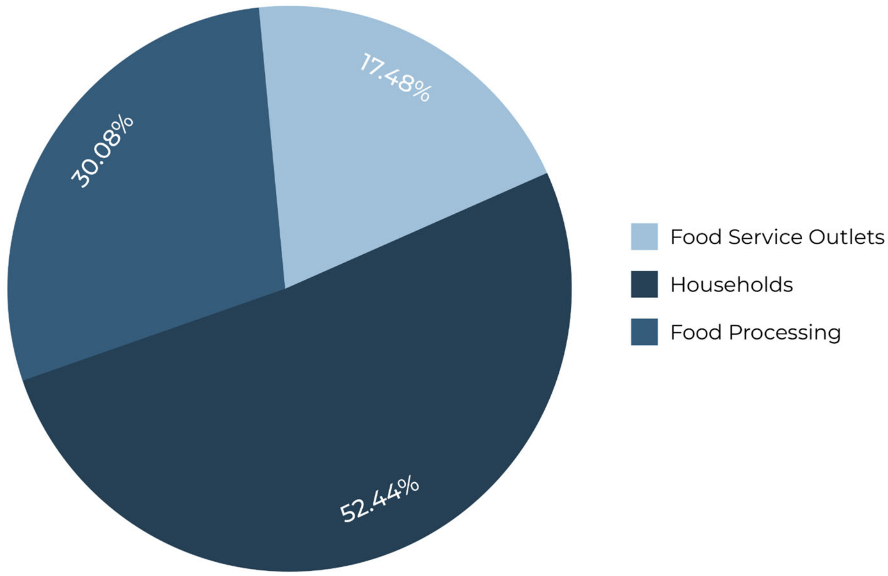
**Data does not include the Australia region and a limited number of countries.*
***Total Global quantity is higher than presented in these figures.*

Global Cooking Oil Market Volume Share (Million Metric Tonnes), by Region, 2020-2028[(1)].



**Data does not include the Australia region and a limited number of countries.*

Global Cooking Oil Market Volume Share (%), by application, 2020-2028[(1)].



The emerging economies in the Asia Pacific region have exhibited an exponential rise in edible oil consumption in the previous decade driven by rapid urbanization, changing lifestyles, and rising disposable income[2]. This trend substantially impacts the types of cooking oils and fats being consumed in these countries. Along with this trend, the growing number of restaurant and fast-food chains, hotels, and cafes in the region has also prompted the increased consumption of cooking oil.

Other factors fueling the food-based consumption of cooking oil include rising discretionary spending by consumers, especially on premium-sized imported oils, increased availability of processed foods and the increase in acreage for the cultivation of oilseeds in major cooking oil-producing regions.

The manufacturers of edible oils are focusing on delivering affordable, fortified cooking oil, in order to cater to consumer demand for healthy cooking oils that are economical, especially in developing countries where consumers are price conscious.

Further, the increased demand for organic, clean label, and fortified cooking oils is attributable to a growing health consciousness among consumers. The gradually rising production of organic oilseeds and its corresponding processing sector is likely to have a positive impact on market performance.

The COVID-19 pandemic outbreak and climatic change has significantly impacted the global edible oil food sector, being one of the most crucial commodities in the food industry. This sector also witnessed a steep rise in prices. Major edible oils such as soybean, palm, and sunflower, observed a price increase of 45-52% owing to factors such as a shortage in the workforce, delay in transportation, raw material scarcity, and other factors. [2]

Competitive Conditions

[2] Fortune Business Insights Pvt. Ltd. Copyright © 2021

In the foodservice industry, Beyond Oil is a disruptor with no material competition aside from conventional magnesium-based filter powders. Beyond Oil Israel's product is differentiated from this conventional technology by its capability to reduce FFA almost completely.

In the refining industry, Beyond Oil Israel's product is a disruptor with no material competition aside from conventional processes that do not offer the unique benefits of the Beyond Oil product.

THE PROPOSED TRANSACTION

The Proposed Transaction

Pursuant to the Share Purchase Agreement, the Company will acquire all of the issued and outstanding ordinary shares and preferred shares in the capital of Beyond Oil Israel (together, the "**Purchased Shares**"). Following the completion of the Proposed Transaction, Beyond Oil Israel will become a wholly-owned subsidiary of the Company. It is anticipated that the Proposed Transaction will be completed on or aboutMarch 30, 2022.

The completion of the Proposed Transaction is subject to, among other things, prior satisfaction or waiver of a number of conditions set out in the Share Purchase Agreement, including, but not limited to: (i) the completion of the Special Warrant Offering; and (ii) receipt of all required regulatory, corporate, shareholder and third-party approvals necessary to complete the Proposed Transaction and the Listing including (a) the issuance of a receipt from the Regulatory Authorities in respect of this Prospectus and (b) approval of the Listing by the Exchange.

The purchase price for the acquisition of the Purchased Shares will be satisfied through the issuance by the Company to Beyond Oil Israel of Common Shares, Consideration Warrants and the Contingent Rights and the underlying Deferred Payment Shares, if any. See "*Description of Securities Distributed*".

Share Purchase Agreement

The Share Purchase Agreement contains covenants, representations and warranties of and from each of the Company, Beyond Oil Israel, and the shareholders of Beyond Oil Israel and various conditions precedent and covenants, both mutual and with respect to each entity.

The following is a summary of certain provisions of the Share Purchase Agreement, which is qualified in its entirety by reference to the full text of the Share Purchase Agreement, a copy of which is filed under the Company's issuer profile on SEDAR.

Representations, Warranties, and Covenants

The Share Purchase Agreement contains customary representations and warranties made by each of the Company, Beyond Oil Israel, and the shareholders of Beyond Oil Israel. Those representations and warranties were made solely for the purposes of the Share Purchase Agreement and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, some of the representations and warranties contained in the Share Purchase Agreement are qualified by knowledge or by reference to a contractual standard of materiality (including Material Adverse Effect) that may be different from that generally applicable to public disclosure to shareholders, or those standards used for the purpose of allocating risk between parties to an agreement. The representations and warranties provided by each of the Company, Beyond Oil Israel, and the shareholders of Beyond Oil Israel relate to, among other things: their valid incorporation and existence; authorized capital and outstanding securities; authority and capacity to enter into the Share Purchase Agreement; no material defaults under any contracts, agreements or licenses; no insolvency proceedings, audits or outstanding reassessments or written enquiries in respect of any taxes; and an absence of certain material changes and litigation.

Beyond Oil Israel and the shareholders thereof provided certain representations and warranties regarding the operation of their business, the conduct of their employees, the ownership of securities in the capital of Beyond Oil Israel, and certain other matters consistent with agreements of this nature. Certain of the representations and warranties contained in the Share Purchase Agreement, or document given thereunder, survive the completion of the Proposed Transaction until 24 months from such date.

In addition, the Share Purchase Agreement contains customary affirmative and negative covenants whereby, among other things, each of the Company, Beyond Oil Israel, and the shareholders of Beyond Oil Israel provide covenants to maintain their respective businesses and not take certain actions outside the ordinary course and to use commercially reasonable efforts to satisfy certain conditions precedent to their respective obligations under the Share Purchase Agreement.

Conditions

Conditions to the Proposed Qualifying Transaction Becoming Effective

The respective obligation of the Company, Beyond Oil Israel, and the shareholders of Beyond Oil Israel to complete the Proposed Transaction is subject to the satisfaction or waiver of certain conditions on or before the time of closing.

Mutual Conditions of Closing

Conditions precedent for the benefit of each of the Company and Beyond Oil Israel are as follows, but not limited to:

- completion of the Special Warrant Offering or all conditions necessary to completion are satisfied, resulting in gross proceeds to the Company of at least C$3,500,000;
- completion of the Bridge Financing, resulting in gross proceeds to the Company of not less than C$1,250,000 (which has been completed);
- obtaining receipt of all required regulatory, corporate, shareholder and third-party approval including: (i) the issuance of a receipt from the applicable Regulatory Authorities in respect of this Prospectus and (ii) approval of the Listing by the Exchange; and
- no unresolved litigation or court proceedings.

Conditions of Closing in Favour of the Company

Conditions precedent for the benefit of the Company are as follows, but not limited to:

- Beyond Oil Israel and its shareholders having tendered all closing deliveries;
- enforcement of each of the: (i) Pinhas Consulting Agreement; (ii) Tamir Employment Agreement; (iii) Jonathan Employment Agreement; (iv) the Allocation Agreement; (v) the IP Assignment Agreement as amended by the First IP Assignment Amendment; (vi) the Founders Agreement; and (vii) the Trade Secret Agreement;
- no debts, other than the Seed Loans and Bridge Loans or debts and expenses incurred in the ordinary course of business for Beyond Oil Israel; and
- no Material Adverse Effect with respect to Beyond Oil Israel.

Conditions of Closing in Favour of Beyond Oil Israel and its Shareholders

Conditions precedent for the benefit of Beyond Oil Israel and its shareholders are as follows, but not limited to:

- the Company tendering all closing deliveries, including the delivery of the Payment Shares and the Consideration Warrants;
- evidence of Exchange approval to the issuance of certain securities in connection with the Proposed Transaction;

- the Company havingcash of at least US$3.5 million in its treasury, less principal amount of the Seed Loans and the Bridge Loan, and no liabilities other than expenses related to the Proposed Transaction;
- no restrictions on the resale of any of the Consideration Securities pursuant to those outlined in the Share Purchase Agreement, or as may be required by the Exchange or applicable securities laws; and
- no Material Adverse Effect with respect to the Company.

Non-Solicitation

From the date of the acceptance of the Share Purchase Agreement until completion of the Proposed Transaction or the earlier termination of the Share Purchase Agreement, each of the Company, Beyond Oil Israel, and the shareholders of Beyond Oil Israel and any party acting on its behalf, including its subsidiaries and respective directors, officers, employees, and agents has agreed not to directly or indirectly solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or participate in discussions, conversations, negotiations or other communications with, or provide information relating to its securities or assets, business, operations, affairs or financial condition to any persons in connection with the acquisition or distribution of any securities of the Company and Beyond Oil Israel, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets of the Company or Beyond Oil Israel, unless such action, matter or transaction is part of the transactions contemplated in the Share Purchase Agreement or is satisfactory to, and is approved in writing in advance by the parties thereto or is necessary to carry on business in the normal course.

Additionally, the Company and Beyond Oil Israel agree to cease and immediately terminate any existing discussions, conversations, negotiations or other communications relating to any Alternative Transaction, and if any request for information that may reasonably be expected to lead to or relate to any solicitation, initiation, encouragement, facilitation or acceptance of any inquiry, proposal or offer (an "**Acquisition Proposal**") from any person (other than the Company, Beyond Oil Israel or the shareholders of Beyond Oil Israel) with respect to any Alternative Transaction, the Company or Beyond Oil Israel, as the case may be, must cease and terminate immediately any existing negotiations, discussions, conversations or other communications with respect to any Alternative Transaction and promptly advise each other of their receipt of any Acquisition Proposal and any request for information that may reasonably be expected to lead to or is otherwise related to any Acquisition Proposal and disclose the identity of the person making such Acquisition Proposal or request for information and the terms and conditions of such Acquisition Proposal.

Termination

The Share Purchase Agreement may be terminated at any time prior to the closing of the Proposed Transaction by: (a) mutual written consent of the Company and Beyond Oil Israel; (b) either Beyond Oil Israel or the Company, if closing of the Proposed Transaction has not been consummated on or prior to March 31, 2022, or such later date as may be agreed in writing between the Company and Beyond Oil Israel, without liability to the terminating party provided the terminating party did not breach or violate any representation, warranty, covenant or obligation in the Share Purchase Agreement; (c) either Beyond Oil Israel or the Company, including any shareholder of any representation, warranty, covenant or agreement contained in the Share Purchase Agreement, if there has been a material breach by one of the parties or a breach which would fail to satisfy one or more of the conditions of closing set forth in the Share Purchase Agreement, and the breaching party fails to cure within 10 business days after receiving written notice; (d) the Company if Beyond Oil Israel completes an Alternative Transaction or enters into a definitive and binding agreement to effect an Alternative Transaction; and (e) any party, if a permanent injunction or decision rendered from other order of court or competent authority prevents closing and is final and non-appealable, unless the party's material breach of the Share Purchase Agreement results in the permanent injunction or order.

In the event of the termination of the Share Purchase Agreement in the circumstances set out above, the Share Purchase Agreement becomes void and each party is absolved of liability or further obligations under the Share Purchase Agreement, unless: (i) the termination is the result of Beyond Oil Israel or its shareholders committing a material breach or engagement in an Alternative Transaction, then Beyond Oil Israel will pay the Company a termination fee of C$150,000 by wire transfer within 5 business days of such termination as a payment of liquidated damages and waives the defence that such liquidated damages are excessive or punitive and the Seed Loan and Bridge

Loan will become due and repayable in accordance with the terms thereof; or (ii) the Company commits a material breach, then the Company will reimburse Beyond Oil Israel for all reasonable expenses actually incurred in connection with the Proposed Transaction.

Indemnification

The Share Purchase Agreement contains customary indemnification provisions in favour of the Company, Beyond Oil Israel and the shareholders of Beyond Oil Israel, in addition to specific indemnification rules in respect of the Deferred Payment Shares.

The Company shall not be entitled to recover under certain indemnification provisions of the Share Purchase Agreement until the aggregate of all such losses or claims, including any third party claims, exceeds C$50,000, provided however, that if the aggregate of all such losses or claims, including any third party claims, exceeds C$50,000, the maximum liability of the shareholders of Beyond Oil Israel under the Share Purchase Agreement is the value of 50% of the then unissued Deferred Payment Shares issuable to the such shareholders (the "**Clawback Shares**"), which for the purpose of the indemnification provisions of the Share Purchase Agreement shall have a value of C$0.75 per Clawback Share and the Company's sole recourse shall be to cancel and forfeit any rights of the such shareholders to the applicable number of Clawback Shares. For greater certainty, the shareholders of Beyond Oil Israel shall be obligated pursuant to the terms of the Share Purchase Agreement to take any and all actions as may be required by law for the Company to cancel all Clawback Shares, up to the value of the applicable claims.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company

Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements for the years ended December 31, 2020 and December 31, 2019 (audited) and the interim financial statements of the Company for the nine months ended September 30, 2021 (unaudited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the MD&A included in Exhibit "A" of this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

	As at September 30, 2021 (unaudited) (C$)	As at December 31, 2020 (audited) (C$)	As at December 31, 2019 (audited) (C$)
Total Assets	494,978	66,555	335,925
Total Liabilities	149,967	21,976	831,030
Total Equity (Deficiency)	345,011	44,579	(495,105)
Revenue	Nil	Nil	Nil
Gross Profit	Nil	Nil	Nil
Gain (Loss) and Comprehensive Gain (Loss) for the Period	(328,603)	539,684	(79,841)

Statement of Comprehensive Gain (Loss)

	As at September 30, 2021 (unaudited) (C$)	As at December 31, 2020 (audited) (C$)	As at December 31, 2019 (audited) (C$)
Expense……………………………………………..	(327,152)	(144,077)	(66,533)
Interest income……………………………………..	Nil	Nil	Nil
Other income……………………………………….	Nil	Nil	Nil
Foreign exchange gain (loss)……………………....	(1,451)	(8,176)	9,692
Gain from settlement of advance, settlement of debt and sale of subsidiary……………………............	Nil	691,936	Nil
Discontinued operations……………………………	Nil	Nil	(23,000)
Net gain (loss) and comprehensive gain (loss) for the period ……………………………………......	(328,603)	539,684	(79,841)

Management's Discussion and Analysis

The MD&A of the Company for the years ended December 31, 2020 and 2019 (audited) and for the nine months ended September 30, 2021 (unaudited) is attached to this Prospectus at Exhibit "A".

The MD&A of the Company should be read in conjunction with the respective financial statements and the accompanying notes thereto included in this Prospectus.

Beyond Oil Israel

Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements for the years ended December 31, 2020 and December 31, 2019 (audited) and the interim financial statements of the Company for the nine months ended September 30, 2021 (unaudited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the MD&A included in Exhibit "C" of this Prospectus. All financial statements of Beyond Oil Israel are prepared in accordance with International Financial Reporting Standards.

	As at September 30, 2021 (unaudited) (US$)	As at December 31, 2020 (audited) (US$)	As at December 31, 2019 (audited) (US$)
Total Assets	4,394,562	5,076,818	7,031,093
Total Liabilities	1,164,127	1,498,659	567,647
Total Equity (Deficiency)	3,230,435	3,578,159	6,463,446
Revenue	(42,918)	-	59,304
Gross Profit	(42,918)	-	55,621
Comprehensive Loss for the Period	(1,470,552)	(2,992,943)	(657,051)

Statement of Comprehensive Gain (Loss)

	As at September 30, 2021 (unaudited) (US$)	As at December 31, 2020 (audited) (US$)	As at December 31, 2019 (audited) (US$)
Loss from operations.……………………………	(1,476,752)	(3,271,259)	(1,161,570)
Expense……………………………………………	(1,433,834)	(3,271,259)	(1,217,191)
Interest income……………………………………	21,825	-	-
Other income…………………………………….	(11,453)	(13,474)	(9,653)
Foreign exchange loss…………………………….	(4,172)	291,790	514,172
Net loss for the period ……………….	(1,466,380)	(3,284,733)	(1,171,223)
Basic and Diluted loss per share	(0.54)	(1.27)	(0.48)

Management's Discussion and Analysis

The MD&A of Beyond Oil Israel for the years ended December 31, 2020 and 2019 (audited) and for the nine months ended September 30, 2021 (unaudited) is attached to this Prospectus at Exhibit "C".

The MD&A should be read in conjunction with the respective financial statements and the accompanying notes thereto included in this Prospectus.

USE OF AVAILABLE FUNDS

Proceeds

No proceeds will be raised as no securities are being sold pursuant to this Prospectus, however, the Company received net proceeds of approximately C$1,709,000 from the first two tranches of the Special Warrant Offering, and on closing of the third tranche, anticipates additional net proceeds of C$1,567,000 after deducting finders' fees of C$224,000 total for all tranches. All of the net proceeds of the Special Warrant Financing, except for C$1,000,000 which amount was released to the Company, are held in a self-administered escrow, pending deemed exercise of the Special Warrants whereupon such proceeds will be released to the Company.

Available Funds

As of January 31, 2022, the Company has approximately C$1,450,000 in estimated working capital and Beyond Oil Israel has approximately negative C$1,305,385 in working capital, taking into account the Seed Loans and Bridge Loan, which are anticipated to become intercorporate debt on completion of the Proposed Transaction. On completion of the Proposed Transaction and deemed exercise of the Special Warrants, the Resulting Issuer will have cash and cash equivalents of approximately C$4,099,000, inclusive of approximately C$300,000 in available funds from the Company, and C$523,000 in cash and deposits from Beyond Oil Israel.

The Resulting Issuer intends to spend the available funds as follows:

	Funds Available (C$)
Available funds of the Company as at January 31, 2022[(1)]	$300,000
Available funds of Beyond Oil Israel[(2)]	$523,000
Net Proceeds from Special Warrant Offering	$3,276,000
Total Funds Available	$4,099,000
Expenditures:	
Production Facility[(3)]	$1,000,000
Research & Development [(4)]	$850,000
Company Transaction Expenses[(5)]	$200,000
Marketing and Sales[(6)]	$500,000
General and Administrative Expenses[(7)]	$500,000
Operating expenses [(8)]	$200,000
Accrued expenses of Beyond Oil Israel[(9)]	$700,000
Unallocated working capital	$149,000
TOTAL	$4,099,000

Notes:

(1) Available funds is calculated based on working capital less assets comprising of the Seed Loans and Bridge Loan, which will become intercorporate debt on completion of the Proposed Transaction. Beyond Oil Israel has no available working capital.

(2) Consists of cash and deposits of Beyond Oil Israel.

(3) Consists primarily of the purchase of new equipment and the cost of modifying existing equipment to commence commercial production of 9kg boxes.

(4) Consists of the product development activities described above under "*Status of Product Development*".

(5) Consists of filing, listing, legal and auditing fees and expenses related to completion of Proposed Transaction and the Listing.

(6) Consists of the costs of engaging marketing and sales personnel, creating and initiating a sales and marketing program and related business development activities.

(7) Represents working capital and for general corporate expenses, including the recruitment of several key executive personnel.

(8) Consists of manufacturing expenses, such as labor cost, raw material purchases, electricity, rent of the facility, and other related expenses.

(9) Consists of accrued and unpaid salaries, transaction and offering related expenses, and general and administrative expenses over the preceding six months.

The Company and Beyond Oil Israel have had negative operating cash flow in its most recent financial year and, as such, the Resulting Issuer may have negative operating cash flows in future periods. Available funds, including the net proceeds from any financings completed by the Resulting Issuer, may also be used in part to fund any negative cash flow from operations of the Resulting Issuer

The Resulting Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations. See "*Risk Factors*".

Business Objectives and Milestones

The primary business objectives for the Resulting Issuer over the next 12 months are as follows:

Business Objective	Significant Events	Time Period	Costs related to Event
Finalize Product for Commercial Production	Commencement of Commercial Production.	Second half of 2022	$850,000
Product Sales	Execution of two long-term supply agreements for the purchase and sale of the product.	Q3 2022	$500,000
Increase and Modify Production Capability	Commence scaled production of product in unit sizes suitable for the foodservice market.	Q3 2022	$1,000,000

The Company anticipates that it will have sufficient cash available to execute the Resulting Issuer's business plan and to pay its operating and administrative costs for at least twelve months after Listing.

Impact of COVID-19

Future disruptions caused by potential COVID-19 lockdowns or other restrictions could delay completion of the above primary business objectives over the next 12 months. Any such disruptions would extend the timeline for those expenditures. The Company believes it has sufficient working capital to continue throughout any such disruptions, should they occur. The Company continues to closely monitor the pandemic and continuously assess its potential impact.

Unallocated Funds in Trust or Escrow

Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The Chief Financial Officer of the Company is responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares (the "**Preferred Shares**"). As of the date hereof, there are 18,035,101 Common Shares issued and outstanding and no Preferred Shares issued and outstanding.

On May 10, 2021, the Company completed a consolidation of its Common Shares on a 16.5:1 basis. Before the consolidation there were 58,329,201 issued and outstanding Common Shares and there were 3,535,101 Common Shares issued and outstanding on a post-consolidation basis.

The Company expects to issue 4,666,667 Common Shares upon exercise of the Special Warrants pursuant to the Special Warrant Offering. The Company also expects to issue 24,410,506 Payment Shares and 1,708,735 Finders' Fee Shares on closing of the Proposed Transaction. See "*The Proposed Transaction*" for a description of the Proposed Transaction.

Subject to the approval of the Exchange, the Resulting Issuer has agreed to pay to Pinhas Or, the founder of Beyond Oil Israel, the sum of US$500,000 upon the Resulting Issuer receiving at least C$2.5 million (US$1.96 million) pursuant to the exercise of the Unit Warrants and Consideration Warrants.

Common Shares

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of the Company with special rights as to dividends, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights. See "*Consolidated Capitalization – Fully Diluted Share Capital*".

Special Warrants

The Company anticipates issuing an aggregate of 4,666,667 Special Warrants on a private placement basis pursuant to the Special Warrant Offering. The Special Warrants are governed by the terms of the Special Warrant Indenture. The following summary of certain provisions of the Special Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Special Warrant Indenture. Reference is made to the Special Warrant Indenture for the full text of the attributes of the Special Warrants which was filed by the Company under its corporate profile on SEDAR. A register of holders will be maintained at the principal offices of the Special Warrant Agent in Vancouver, British Columbia.

Pursuant to the Special Warrant Indenture, each Special Warrant issued pursuant to the Special Warrant Offering will be deemed to be exercised, without payment of additional consideration and without further action on the part of the holder, subject to customary anti-dilution adjustments, into one Unit consisting of one Common Share and one half Warrant at the Conversion Date.

The Special Warrant Indenture provides for adjustment of the number of Units issuable upon the exercise of the Special Warrants upon the occurrence of certain events, including:

(i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Unit Warrants);

(ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exercise or conversion price per share) of less than 95% of the "current market price", as defined in the Special Warrant Indenture, for the Common Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the Common Shares of securities including rights, options or warrants to acquire shares of any class or securities exchangeable or exercisable for, or convertible into, any such shares or property or assets or evidences of indebtedness or any property (including cash) or other assets.

The Special Warrant Indenture also provides for adjustments in the class and/or number of securities issuable upon exercise of the Unit Warrants and/or exercise price per security in the event of the following additional events:

(a) reclassifications of the Common Shares or exchange in the Common Shares into or for other shares or securities, or a capital reorganization of the Company (other than as described in clauses (i) or (ii) above), (b) the triggering of a shareholders' rights plan or consolidations, amalgamations, arrangements or mergers of the Company with or into another entity, or (c) any transfer, sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to another entity, in which case each Special Warrant which is thereafter exercised will receive, in lieu of the number of Units to which it was previously entitled, the kind and number of Units, or other securities or property of the Company or successor thereto that the Special Warrantholder would have been entitled to receive as a result of such event if such holder had exercised the Special Warrants prior to the event.

The Company also covenanted in the Special Warrant Indenture that, during the period in which the Special Warrants are exercisable, it will give notice to Special Warrantholders of certain stated events, including events that would result in an adjustment to the number of Units issuable upon exercise of the Special Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares or Warrants will be issuable to any holder of Special Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of any fractional Common Shares or Warrants. The holding of Special Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Special Warrants except as expressly provided in the Special Warrant Indenture and the Special Warrant Certificates. Holders of Special Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Special Warrant Indenture provides that, from time to time, the Special Warrant Agent and the Company, without the consent of the holders of Unit Warrants, may be able to amend or supplement the Special Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Special Warrant Indenture or in any deed or indenture supplemental or ancillary to the Special Warrant Indenture, provided that, in the opinion of the Special Warrant Agent, relying on counsel, the rights of the holders of Special Warrants are not prejudiced, as a group. Any amendment or supplement to the Special Warrant Indenture that is prejudicial to the interests of the holders of Special Warrants, as a group, will be subject to approval by an "Extraordinary Resolution", which will be defined in the Special Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Special Warrants at which there are holders of Special Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Special Warrants and passed by the affirmative vote of holders of Special Warrants representing not less than 66 2⁄3% of the aggregate number of all the then outstanding Special Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Special Warrants representing not less than 66 2⁄3% of the number of all of the then outstanding Special Warrans.

The principal transfer office of the Special Warrant Agent in Vancouver, British Columbia is the location at which Special Warrants may be surrendered for exercise or transfer.

Unit Warrants

The Company expects to issue 2,333,333 Unit Warrants upon the deemed exercise of the Special Warrants on the Conversion Date and will be governed by the terms of the Warrant Indenture. Each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share at an exercise price of $1.25 per Common Share until 5:00 p.m. (Eastern Time) on the date that is 12 months following the Conversion Date, subject to certain exceptions and the terms of the Unit Warrants, after which time the Unit Warrants will be void and of no value.

The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

The Warrant Indenture provides for customary anti-dilution provisions including provisions for the appropriate adjustment of the class, number and price of the Warrant Shares issuable upon due exercise of the Unit Warrants upon the occurrence of certain events including any subdivision, consolidation or reclassification, payment of stock dividends, or a capital reorganization including a liquidation, dissolution, winding up, amalgamation, merger or arrangement or a transfer, sale or conveyance of the property or assets of the Company such that the holders of Unit

Warrants shall, upon due exercise, be entitled to receive the same number and kind of securities that they would have been entitled to receive had the Unit Warrants been exercised prior to the occurrence of such events. No fractional securities will be issued upon the exercise of the Unit Warrants. The holding of Unit Warrants does not make the holder thereof a shareholder of the Company or entitle the holder to any right or interest in respect thereof except as expressly provided in the Warrant Indenture.

Consideration Warrants

The Company expects to issue 2,683,333 Consideration Warrants on closing of the Proposed Transaction. Each Consideration Warrant will be exercisable by the holder to acquire one Consideration Warrant Share at a price of $1.18 per Consideration Warrant Share for a period 12 months after the issue date of the Consideration Warrants. The Consideration Warrants will be represented by Warrant Certificates to be issued by the Company.

The following summary of certain provisions of the Consideration Warrants does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Certificates.

The number of Consideration Warrant Shares issuable upon exercise of the Consideration Warrants will be subject to standard anti-dilution provisions, including an adjustment in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or distribution, a dividend or distribution paid to all or substantially all of the holders of Common Shares, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets.

Contingent Rights

The Company expects to issue 19,528,404 Contingent Rights on closing of the Proposed Transaction. The Contingent Rights will convert into Deferred Payment Shares on the occurrence of the following milestones (the "**Deferred Payment Milestones**"):

(i) 4,882,101 Deferred Payment Shares upon the Company or Beyond Oil Israel obtaining an order for at least US$3 million from customers within twelve (12) months of the closing of the Proposed Transaction;
(ii) 4,882,101 Deferred Payment Shares upon the Company or Beyond Oil Israel achieving US$6 million in cumulative sales within 18 months of the closing of the Proposed Transaction;
(iii) 4,882,101 Deferred Payment Shares upon the Company or Beyond Oil Israel achieving US$13 million in cumulative sales within 30 months of the closing of the Proposed Transaction; and
(iv) 4,882,101 Deferred Payment Shares upon the Company or Beyond Oil Israel reaching positive EBITDA by the end of its fiscal year ended December 31, 2023, and such amount is confirmed by the audited annual financial statements for the year ended December 31, 2023.

Subject to the approval of the CSE, upon the Company or Beyond Oil Israel signing a definitive agreement with a major investor or oil producer on or before December 31, 2023 that results in the Company or Beyond Oil Israel receiving US$10 million in revenues over a 24 month period, such milestone may be used as a replacement for any one milestone in (i), (ii), (iii) or (iv) above.

The Contingent Rights will be issued pursuant to the terms of a deferred purchase price agreement among the Resulting Issuer and by the shareholders' representative, on behalf of the shareholders of Beyond Oil Israel and shall be issued in certificated form.

PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of the Qualified Securities, consisting of: (i) the Unit Shares and Unit Warrants issuable upon the deemed exercise of the previously issued Special Warrants, (ii) the Payment Shares, (iii) the Contingent Rights, (iv) the Consideration Warrants, and (v) the Finders' Fee Shares. The Special Warrants were and are expected to be sold to subscribers at a price of $0.75 per Special Warrant for aggregate gross proceeds of $3,500,000.00.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by Plus Market Groups plc).

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE.

The Special Warrants and the underlying Unit Shares and Unit Warrants, the Payment Shares, the Contingent Rights, the Consideration Warrants and the Finders' Fee Shares have not been and will not be registered under the U.S. Securities Act or under any state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act).

The Unit Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. person (as defined in Regulation S under the U.S. Securities Act), nor will any certificates representing the Common Shares issuable upon exercise of the Unit Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available.

The Special Warrants were issued pursuant to the terms of the Special Warrant Indenture . The Unit Warrants will be issued pursuant to the terms of the Warrant Indenture. The Consideration Warrants will be represented by Warrant Certificates to be issued by the Company. See "*Description of the Securities Distributed – Warrants*" and "*Description of the Securities Distributed – Consideration Warrants*".

Certificates or DRS statements representing the Unit Shares and Unit Warrants to be issued upon deemed exercise of the Special Warrants will be available for delivery upon the deemed exercise of the Special Warrants.

Certificates or DRS statements representing the Payment Shares, the Contingent Rights and the Consideration Warrants will be delivered on closing of the Proposed Transaction.

The Company is a reporting issuer in the provinces of British Columbia and Alberta.

CONSOLIDATED CAPITALIZATION

Consolidated Capitalization

The Company

The following table sets forth the share and loan capital of the Company before and after giving effect to the deemed exercise of the Special Warrants. The table should be read in conjunction with the financial statements and the accompanying notes thereto included in this Prospectus:

	Amount Authorized or to be Authorized	**Outstanding as at September 30, 2021(1)**	**Outstanding as at the date of this Prospectus(2)(3)**	**Outstanding After Giving Effect to the Conversion of the Special Warrants and completion of Proposed Transaction(4)**
Common Shares	Unlimited	15,535,101	18,035,101	48,821,009

Notes:

(1) Prior to giving effect to the Bridge Financing pursuant to which 2,500,000 Common Shares were issued in two tranches on November 5, 2021 and November 26, 2021.
(2) Pursuant the Bridge Financing, the Company issued an aggregate of 2,500,000 Common Shares, in two tranches on November 5 and November 26, 2021, bringing the total Common Shares at the date of this Prospectus to 18,035,101.
(3) On an undiluted basis.The Company also has 975,000 Options outstanding.
(4) On an undiluted basis. This assumes the issuance of: (a) 4,666,667 Unit Shares ; (b) 24,410,506 Payment Shares; and (c) 1,708,735 Finders' Fee Shares. For additional information on fully diluted share capital please see below under the subheading "*Fully Diluted Share Capital*".

Beyond Oil Israel

The following table sets forth the share and loan capital of Beyond Oil Israel. The table should be read in conjunction with the financial statements and the accompanying notes thereto included in this Prospectus:

	Amount Authorized or to be Authorized	**Outstanding as at the date of this Prospectus**
Ordinary Shares	9,889,071 ordinary shares	2,635,706 ordinary shares
Preferred Shares	110,929 preferred shares	63,388 preferred shares

Fully Diluted Share Capital of the Resulting Issuer

The following table sets forth the anticipated fully diluted share capital of the Resulting Issuer after giving effect to the deemed exercise of the Special Warrants and completion of the Proposed Transaction:

	Number of Common Shares Issued or Reserved for Issuance After Giving Effect to the Special Warrant Offering	**Percentage of issued and outstanding Common Shares After Giving Effect to the Special Warrant Offering (fully-diluted)**
Common Shares outstanding at the date of this Prospectus	18,035,101	18.38%
Common Shares to be issued upon deemed exercise of outstanding Special Warrants	4,666,667	4.76%
Common Shares issuable upon exercise of Unit Warrants to be issued upon deemed exercise of Special Warrants	2,333,333	2.38%
Common Shares issuable upon exercise of Finder's Warrants in connection with Special Warrant Offering	350,000	0.36%
Common Shares issuable as Payment Shares	24,410,506	24.88%
Common Shares issuable as Deferred Payment Shares on conversion of Contingent Rights	19,528,404	19.90%
Common Shares issuable as Finders' Fee Shares	1,708,735	1.74%
Common Shares issuable upon exercise of Options	4,761,179	4.85%
Common Shares issuable upon exercise of Consideration Warrants	2,683,333	2.73%

	Number of Common Shares Issued or Reserved for Issuance After Giving Effect to the Special Warrant Offering	Percentage of issued and outstanding Common Shares After Giving Effect to the Special Warrant Offering (fully-diluted)
Common Shares issuable on exercise of Beyond Oil Options	120,922	0.12%
Total:	**78,598,180**	100%

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

Outstanding Options

As of the date of this Prospectus, the Company has 975,000 Options issued and outstanding.

Option Plan

The Stock Option Plan was approved by the Company's Board effective as of September 26, 2021 and was ratified and approved by the Company's shareholders at its annual general meeting held on November 12, 2021 (the "**Stock Option Plan**"). The principal purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Stock Option Plan is administered by the Board of the Company, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise prices will be determined by the Board, but will, in no event, be less than the closing market price of Common Shares on: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

The aggregate maximum number of Common Shares that may be reserved for issuance under the Stock Option Plan is not to exceed 10% the total number of Common Shares of all classes of the Company issued and outstanding from time to time.

The table below summarizes information about the Options expected to be outstanding immediately prior to Listing:

	Shares under Option	Exercise Price	Expiry Date
Executive Officers(1)	25,000	$0.50	November 8, 2031
Directors(2)	550,000	$0.50	November 8, 2031
Employees	N/A	N/A	N/A

	Shares under Option	Exercise Price	Expiry Date
Consultants[(3)]	400,000	$0.50	November 8, 2031

Notes:

(1) Consists of: 25,000 Options granted to Denise Landsberger, Corporate Secretary.

(2) Consists of: (a) 375,000 Options granted to Robert Kiesman, CEO & Chair; and (b) 175,000 Options granted to Gad Penini.

(3) Consists of: (a) 275,000 Options granted to Altaf Nazerali; (b) 50,000 granted to Tag Gill, who is the current CFO, but is expected to become a consultant of the Resulting Issuer; and (c) 25,000 Options granted to Bruce Deck.

The full text of the Stock Option Plan is available upon written request made directly to the Company at its registered office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Beyond Oil Israel

Beyond Oil Israel adopted the Israeli Share Option Plan ("**BOIL Option Plan**") in accordance with Section 102 of the Israeli Income Tax Ordinances on June 24, 2021.

As of the date of this Prospectus, 120,922 options have been granted and are outstanding under the BOIL Option Plan. The table below summarizes information about the options outstanding as at the date of this Prospectus:

	Ordinary Shares Issuable under BOIL Option Plan	Exercise Price	Expiry Date
Executive Officers[(1)]	90,634	NIS 0.01	June 24, 2030
Consultants	30,288	NIS 0.01	June 24, 2030

Notes:

(1) Consists of grants to Tamir Gedo and Shany Touboul.

A description of the BOIL Option Plan is set out below:

Administration: The BOIL Option Plan is administered by the board of directors of Beyond Oil Israel or any committee thereof.

Eligible Participants: Directors, officers, employees, sub-contractors and consultants of Beyond Oil Israel and its affiliates.

Number of Shares Reserved: Under the BOIL Option Plan, the number of ordinary shares that may be issued on the exercise of options granted thereunder shall be determined from time to time by the directors.

Exercise Price: The exercise price shall be determined by the board of directors at the time of grant.

Vesting: Vesting of options granted under the BOIL Option Plan will be at the discretion of the board of directors.

Term of Options: All options shall have a term of 10 years.

Termination: Upon an option holder's employment or engagement being terminated for any reason other than cause, retirement, death or disability, all vested but unexercised options shall terminate on the earlier of: (i) the date that is 90 days after the date the option holder ceases to be employed or engaged; and (ii) the last day of the term of the options. In the event of termination for cause, all vested options shall cease immediately. In the event of the option holder's retirement, death or disability, all vested but unexercised options shall terminate on the earlier of: (i) in the case of death, the date that is 60 days after the date of death and, in the case of retirement or disability one year after the date of retirement or disability, as the case may be; and (ii) the last day of the term of the options.

Merger: In the event of a "Merger Transaction" all outstanding and unexercised and unvested options will be cancelled unless otherwise determined by the board of directors. The board of directors may also determine how vested options shall be treated in a Merger Transaction. A Merger Transaction means any: (i) dissolution, bankruptcy or winding-up of Beyond Oil Israel; (ii) a sale of all or substantially all of the assets of Beyond Oil Israel; (iii) a sale of all or substantially all of the shares of Beyond Oil Israel; and (iv) a merger, consolidation or similar transaction of Beyond Oil Israel.

Assignment: The BOIL Option Plan provides that options may not be assigned.

The Resulting Issuer

Pursuant to the terms of the Share Purchase Agreement, all 120,922 outstanding BOIL Options will be exchanged for Options under the Option Plan on the same terms as to price, vesting and term.

In addition, pursuant to the terms of the Share Purchase Agreement, prior to completion of the Proposed Transaction, Beyond Oil Israel is permitted to grant options under the BOIL Option Plan, such that upon completion of the Proposed Transaction, the aggregate number of options granted thereunder will not exceed, upon exchange thereof for replacement options of the Company, 8% of the number of options available under the Company's Stock Option Plan.

After giving effect to the 120,922 existing options granted under the BOIL Option Plan, there is a balance of 3,786,179 Options remaining to be granted by the Resulting Issuer to eligible participants of Beyond Oil Israel and which the Resulting Issuer anticipates granting at or prior to completion of the Proposed Transaction at an exercise price equivalent to C$0.75.

DIVIDENDS OR DISTRIBUTIONS

The Company

The Company has not declared any cash dividends or distributions for any of its securities and no such dividends or distributions are contemplated for the current financial year.

As of the date of this Prospectus, there are no restrictions that prevent the Company from paying dividends on its Common Shares. The Company has neither declared nor paid any dividends on its Common Shares and it is not contemplated that the Company will pay dividends in the immediate or foreseeable future. The Company currently intends to retain future earnings, if any, to finance the expansion of its business. Any future decision to pay dividends on the Company's Common Shares will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

Beyond Oil Israel

Beyond Oil Israel has not declared any cash dividends or distributions for any of its securities and no such dividends or distributions are contemplated for the current financial year.

As of the date of this Prospectus, there are no restrictions that prevent Beyond Oil Israel from paying dividends on its Ordinary Shares. Beyond Oil Israel has neither declared nor paid any dividends on its Ordinary Shares and it is not contemplated that Beyond Oil Israel will pay dividends in the immediate or foreseeable future. Beyond Oil Israel currently intends to retain future earnings, if any, to finance the expansion of its business. Any future decision to pay dividends on Beyond Oil Israel's ordinary shares will be made by the board of beyond Oil Israel on the basis of the earnings, financial requirements and other conditions existing at such time.

PRIOR SALES

This table sets out particulars of the Common Shares that have been issued or sold within the 12 months prior to the date of this Prospectus:

Date of Issuance/Sale	Security Type	Number of Securities	Issue/Sale Price
June 22, 2021	Common Shares	12,000,000(1)	$0.05
November 5, 2021	Common Shares	1,528,000(2)	$0.50
November 26, 2021	Common Shares	972,000(2)	$0.50

Notes:

(1) Issued pursuant to the Seed Financing.
(2) Issued pursuant to the Bridge Financing.

This table sets out particulars of securities exercisable for or exchangeable into Common Shares issued within the 12 months prior to the date of this Prospectus:

Date of Issuance	Security Type	Number of Securities	Issue/Exercise Price
November 8, 2021	Options	975,000(1)	$0.50
February 4, 2022	Special Warrants	2,124,666(2)	$0.75
February 14, 2022	Special Warrants	283,599(2)	$0.75

Notes:

(1) Expiry date of November 8, 2031.
(2) Issued in connection with the Special Warrant Offering. Each Special Warrant will be deemed exercised in exchange for one Common Share and one Warrant on the Conversion Date. The Company expects to issue 4,666,667 Unit Shares and 2,333,333 Unit Warrants upon conversion of the Special Warrants. See "*Plan of Distribution*" for a description of the terms of the Special Warrants.

Beyond Oil Israel

Beyond Oil Israel has not issued or sold any ordinary shares within the 12 months prior to the date of this Prospectus except for the issue of 234,704 ordinary shares to a trustee on behalf of Tamir Gedo on June 24, 2021, for NIS 0.01 per share (the "**Restricted Shares**") which became fully vested on December 24, 2021 The Restricted Shares are subject to an irrevocable proxy granted by Dr. Gedo to Beyond Oil Israel and may be voted at the Company's sole discretion until completion of the Proposed Transaction.

This table sets out particulars of securities exercisable for or exchangeable into common shares of Beyond Oil Israel issued within the 12 months prior to the date of this Prospectus:

Date of Issuance	Security Type	Number of Securities	Issue/Exercise Price
June 24, 2021	Options	120,922(1)	NIS 0.01

Notes:

(1) Granted pursuant to the BOIL Option Plan.

ESCROWED SECURITIES AND RESALE RESTRICTIONS

Escrowed Securities

CSE Escrow

As of the date of this Prospectus, none of the Company's securities are held in escrow or are subject to a contractual restriction on transfer..

Policy 2 of the CSE requires that all securities (other than, in the case of the Resulting Issuer, Resulting Issuer Options issued at $0.75 or higher and the Consideration Warrants) issued to "Related Persons",as defined therein are required to be subject to an escrow agreement National Policy 46-201 - *Escrow for Initial Public Offerings* ("**NP 46-201**"). Accordingly,

irectors, officers, certain securityholders and promoters of the Resulting Issuer (the "**Mandatory Escrow Shareholders**") will enter into the Escrow Agreement with the Resulting Issuer and the Escrow Agent pursuant to which the Mandatory Escrow Shareholders will deposit the securities of the Company which they hold, until they are released, as follows:

Release Date	Amount of Securities to be Released
On the Listing Date	10% of Escrowed Securities
6 months after the Listing Date	15% of Escrowed Securities
12 months after the Listing Date	15% of Escrowed Securities
18 months after the Listing Date	15% of Escrowed Securities
24 months after the Listing Date	15% of Escrowed Securities
30 months after the Listing Date	15% of Escrowed Securities
36 months after the Listing Date	15% of Escrowed Securities

Accordingly, the following securities are expected to be subject to escrow:

Designation of Class	Number of Securities held in Escrow	Percentage of Class
Common Shares	10,782,419	22.1%(1)
Options(4)	400,000	8.40%(2)
BOIL Options	90,634	74.95%(3)
Contingent Rights	7,325,104	37.51(5)

Notes:

(1) Percentage is based on 48,821,011 Common Shares expected to be outstanding upon exercise of the Special Warrants and Listing on the CSE.

(2) Percentage is based on 4,761,179 Options issued and outstanding as at Listing.

(3) Percentage is based on 120,922 BOIL Options outstanding as at Listing

(4) Percentage is based on 19,528,404 Contingent Rights outstanding as at Listing.

Voluntary Escrow

In connection with the Share Purchase Agreement, 20,228,090 Common Shares to be held by certain shareholders of each of the Company and Beyond Oil Israel on completion of the Proposed Transaction will also be deposited into an escrow, pursuant to an escrow agreement. on identical terms to that required under NP 46-201 for the Mandatory Escrow Shareholders (the "**Voluntary Pool**").

In addition to the mandatory escrow, as set forth under the heading "CSE Escrow" above, and the Voluntary Pool, all of the 6,414,831 Common Shares expected to be held by Jonathan Or, representing 13.14% of the number of Common Shares expected to be issued and outstanding upon completion of the Listing and Proposed Transaction, will be subject to additional contractual hold periods, as follows:

Release Date	Amount of Securities to be Released
18 months after the listing date	1,603,707 Common Shares
24 months after the listing date	1,603,707 Common Shares
30 months after the listing date	1,603,707 Common Shares
36 months after the listing date	1,603,710 Common Shares

In addition, all of the aggregate 9,622,258 Common Shares expected to be held by Aviva Or and Matan Or, representing 19.7% of the number of Common Shares expected to be issued and outstanding upon completion of the Listing and Proposed Transaction, will be subject to additional contractual hold periods, pursuant to a lock-up agreement between the Resulting Issuer and Aviva Or and Matan Or, as follows:

Release Date	Amount of Securities to be Released
6 months after the listing date	962,225 Common Shares
12 months after the listing date	962,225 Common Shares
18 months after the listing date	1,924,452 Common Shares
24 months after the listing date	1,924,452 Common Shares
30 months after the listing date	1,924,452 Common Shares
36 months after the listing date	1,924,452 Common Shares

In addition to the mandatory escrow, as set forth under the heading "CSE Escrow" above and voluntary escrow provisions summarized above, all of the 4,400,000 Common Shares held by persons designated as "Special Advisors" are subject to contractual hold periods and will be released therefrom in accordance with the following:

Release Date	Amount of Securities to be Released(1)
On the date the Company's securities are listed on the CSE	1,100,000 Common Shares
6 months after the listing date	1,100,000 Common Shares
12 months after the listing date	1,100,000 Common Shares
18 months after the listing date	1,100,000 Common Shares

Notes:
(1) The Special Advisors who own Common Shares are: (a) Altaf Nazerali; (b) International Portfolio Management Inc.; (c) Nadjiha Nazerali; (d) Capital Link Ltd.; (e) Einat Krasney; and (f) Frida Liberman. Itamar David and Hadas David were defined as Special Advisors in the Share Purchase Agreement, but they no longer own any Common Shares.

PRINCIPAL SHAREHOLDERS

The Company

As of the date of this Prospectus, 18,035,101 Common Shares are issued and outstanding.

To the knowledge of the directors and officers of the Company, upon the deemed exercise of the Special Warrants, no persons are expected to beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares.

Beyond Oil Israel

As of the date of this Prospectus, 2,635,706 ordinary shares and 63,388 preferred shares of Beyond Oil Israel are issued and outstanding.

To the knowledge of the directors and officers of Beyond Oil Israel, no persons beneficially own, directly or indirectly, or exercise control or direction over, ordinary shares of Beyond Oil Israel carrying more than 10% of the voting rights attaching to all the outstanding ordinary shares other than as follows:

Name of Shareholder	No. of Ordinary Shares	Percentage
Jonathan Or	800,819	29.67%
Aviva Or	600,615	22.25%
Matan Or	600,615	22.25%

The Resulting Issuer

On completion of the Proposed Transaction, each of the above shareholders of Beyond Oil Israel will become shareholders of the Resulting Issuer, each of which holding over 10% of the voting rights attached to the outstanding Common Shares, as follows:

Name of Shareholder	No. of Resulting Issuer Shares	Percentage
Jonathan Or	6,414,831	13.14%

DIRECTORS AND OFFICERS

The Company

Name, Occupation and Security Holdings

The following table sets out the name, age, city of residence, position and the number and percentage of Common Shares which will be beneficially owned or controlled by each of the current directors and officers of the Company.

Name, Age and City of Residence	Position	Principal Occupations Held During the Last 5 Years(1)	Common Shares Owned After Giving Effect to the Special Warrant Offering (1) (2)	
			Number	Percentage
Nir Eliyahu (3) Age 44 Jerusalem, Israel	Director	Business owner specializing in distribution channels and online sales from 2012 to 2021; cellular network engineer expert from 2004 to 2013.	Nil	Nil
Kyle Haddow(3) Age 34 Calgary, Alberta	Director	Partner and Director of Volente Capital Inc. from 2021 to the present; Independent Consultant; Analyst at Wildhorse Capital Partners Inc.; Financial Advisor at Scotiabank; CFO of Monarch West Ventures Inc. from January 2021 to present.	600,000	1.23%
Robert Kiesman(3) Age 45 Richmond, British Columbia	CEO, Chairman and Director	Owner & Director of Vancouver Corporate Solutions Inc. (July 2020 – Present); Owner & Chief Legal Officer of Valley Personnel Ltd. (May 2017 - Present); Owner & President of Steveston Employment Advisors Inc. (Sept 1994 - Present); M&A lawyer at Stikeman Elliott LLP (August 2010 - June 2017).	200,000(4)	0.41%
Tag Gill Age 44 Burnaby, British Columbia	Chief Financial Officer	Owner of private businesses in British Columbia. Director and CFO of Wangton Capital Corp. from October 2018 to present. Director of Norra Metals Corp. from September 2013 to present.	600,000	1.23%
Denise Landsberger Age 25 British Columbia, Canada	Corp. Secretary	Administrator at Valley Personnel Ltd. (2017-2019); Office Manager at Valley Personnel Ltd. (2019-present); Corporate and Administrative Clerk at Vancouver Corporate Solutions Inc. (2020-present); Corporate Secretary at FTC Cards Inc. (April 2021-present); Corporate Secretary at Emgold Mining Corporation (Oct 2021-present).	125,000	0.25%

Notes:

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees, or obtained from information available on SEDI.

(2) On an undiluted basis.

(3) Member of the Audit Committee.

(4) Mr. Kiesman holds these Common Shares indirectly through his company, Steveston Employment Advisors Inc.

As of the date of this Prospectus, directors and officers of the Company, as a group, own or control or exercise direction over 1,525,000 Common Shares, being approximately 8.46% of the issued Common Shares.

Directors and Officers – Biographies

The following biographies provide information in respect of the directors and officers of the Company.

Nir Eliyahu – Director

Nir Eliyahu is a private business owner who specialized in distribution channels and online sales for nine years (2012 to 2021) with Connect Inc. (USA) and Telem distribution in Vancouver. He was responsible for building distribution channels for both B2B and B2C products, brand development, marketing, sales strategies, and a training platform. In the years 2004-2013, he served as cellular network engineer expert, designing and deploying telecom projects worldwide valued at over $500 Million. He has a BSc degree from the University of Ariel in Electrical Engineering.

Mr. Eliyahu has not entered into a non-competition and non-disclosure agreement with the Company. It is expected that Mr. Eliyahu will devote approximately 5% of his time to the business of the Company to effectively fulfill his duties as a Director.

Kyle Haddow - Director

Kyle Haddow is an active participant in the Canadian capital markets where he assists companies with financial advisory services, M&A and capital markets projects. Previously, Kyle spent time in merchant banking as an Analyst and then Senior Analyst, where he worked with companies in a variety of industries and played an integral role in the management and coordination of multiple financing rounds for public and private portfolio companies. He is currently the CFO of Monarch West Ventures Inc. (TSX-V:MONA.P), a director of Wangton Capital Corp. (NEX:WT.P) and a director of Norsemont Mining Inc. (CSE:NOM).

He has a BA from McGill University and a post-graduate business degree from Royal Roads University.

Mr. Haddow has not entered into a non-competition and non-disclosure agreement with the Company. It is expected that Mr. Haddow will devote approximately 5% of his time to the business of the Company to effectively fulfill his duties as a Director.

Robert Kiesman - CEO, Chairman and Director

Mr. Kiesman is a private business owner and corporate lawyer who specialized in securities law and M&A from 2009 to 2017 at Stikeman Elliott LLP in Vancouver. Until December 31, 2021, he served as Vice Chair of the board of the Provincial Health Services Authority, a public health authority with an annual budget of over $4 billion. He has served as a director of Powerband Solutions Inc. (TSX-V: PBX) and is the Chairman of Plurilock Security Inc. (TSX-V: PLUR), a director of Four Arrows Capital Corp. (TSX-V:AROW) and corporate secretary of Skeena Resources Inc. (TSX:SKE). He has a law degree from the University of British Columbia and a BA in Political Studies from Trinity Western University.

Mr. Kiesman has not entered into a non-competition and non-disclosure agreement with the Company. It is expected that Mr. Kiesman will devote approximately 15% of his time to the business of the Company to effectively fulfill his duties as CEO and a Director.

Committees

The only committee of the Board is the Audit Committee. The Audit Committee of the Company consists of Kyle Haddow (Chair), Robert Kiesman and Nir Eliyahu.

Corporate Cease Trade Orders or Bankruptcies

No director or officer of the Company is, or has been within the past ten years, a director or officer of any other issuer that, while such person was acting in that capacity, was:

(a) the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director or officer of the Company has within the ten years before the date of this Prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, theft or fraud.

Individual Bankruptcies

No director or officer of the Company is, or, within the ten years before the date of this Prospectus, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

Beyond Oil Israel

Name, Occupation and Security Holdings

The following table sets out the name, age, city of residence, position and the number and percentage of ordinary shares which will be beneficially owned or controlled by each of the current directors and officers of Beyond Oil Israel.

Name, Age and City of Residence	Position	Principal Occupations Held During the Last 5 Years	Ordinary Shares Owned	
			Number	Percentage
Dr. Tamir Gedo Age 52 Rishon LeTsiyon, Israel	CEO & Director	CEO of Beyond Oil (March 2021 – Present); CEO of BOL Pharma (Jan 2013 – May 2020).	234,704	7.7%

Name, Age and City of Residence	Position	Principal Occupations Held During the Last 5 Years	Ordinary Shares Owned	
			Number	Percentage
Jonathan Or Age 27 Tel Aviv, Israel	CMO & Director	Captain in an elite technology unit in the IDF from (2012-2018) and part of the Beyond Oil Israel executive team (2018-present).	800,819	29.67%
Michal Werner Age 63 Karmiel, Israel	CTO	R&D Manager at Gennie Enterprise Ltd. (2018-2020) and joined Beyond Oil Israel (2021-present).	Nil	0%
Shany Touboul Age 41 Ashdod, Israel	CFO	CFO at A.S.R.R. (2014-2016) CFO at Chemada Fine Chemicals Ltd. (2017-2018) CFO at Dalal Group Ltd. (2018-2021) and joined Beyond Oil Israel (2021-present).	Nil	0%
Dan Itzhaki Age 52 Beit Horon, Israel	Director	CEO at Shomera Insurance Co. Ltd. (2010 – present), Board Member at Menora Mivtachim Pension & Provident Funds Ltd. (2017-present), Board Member at Beyond Oil Israel (2019-present), Chairman of Shomera Real Estate Ltd. (2020-present), and Board Member at Shomera Agencies Ltd. (2020-present).	107,677	3.53%
Moshe Cohen Age 65 Jerusalem Israel	Director	Consultant with expertise in the handling of foreign trade, import, export, intellectual property cases at customs , and foreign trade taxation (2017-present), Board Member at Beyond Oil Israel (2019-present),	113,600	3.73%

Directors and Officers – Biographies

The following biographies provide information in respect of the directors and officers of Beyond Oil Israel:

Dr. Tamir Gedo – Age 52 – CEO, Director, Chairman

Dr. Tamir Gedo serves as the CEO of Beyond Oil Israel. Dr. Gedo draws upon 25 years of experience as a marketing and business strategy expert serving in academic, government, and industry functions. Dr. Gedo's extensive expertise in international marketing, branding, entrepreneurship, and business strategy has served him in his various leadership roles. He has contributed to a wide range of branding, strategic planning, and market penetration activities as a senior manager or executive director of major companies in a variety of industries, including the pharmaceutical industry. Dr. Gedo founded BOL Pharma and served as CEO and founding board member during which period he grew the company from four employees into the largest cannabis company in Israel comprising around 40% market share. He served as executive director at Lundbeck Israel and Maccabi Healthcare which is the second largest health medical organization in Israel. As a consultant, Dr. Gedo provided services to companies in the medical, nutrition, and pharmaceutical industries. In addition to his business and consulting practice, Dr. Gedo has served as the head of the marketing department and other faculty positions of several colleges in Israel such as the Max Stern Yizrael Valley

College and IDC Herzelia College and has been a guest lecturer in the Department of Business Administration of Shanghai University. He has taught undergraduate and graduate-level courses in global marketing, business strategy, innovation, and entrepreneurship. Dr. Gedo received his Ph.D. in Economics from Manchester Business School (UK) and an MBA from Ben Gurion University (Israel). He completed a B.Sc. in Molecular Biology at Bar Ilan University (Israel).

Jonathan Or – Age 27 - Chief Marketing Officer and Director

Jonathan Or is a co-founder of Beyond Oil Israel and has served as the Chief Marketing Officer and part of the executive team since 2018. Mr. Or is specialized in marketing and product management (Technion University) and AccounTech, Business Management (IDC University). He is also certificated as a board director by the Israeli Bar Association. He served as a captain in an elite technology unit in the IDF from 2012 to 2018. Mr. Or has gained rich experience in the vegetable oils field, from the business aspect and the scientific aspect as well. As an entrepreneur, Mr. Or has dealt with every issue at Beyond Oil Israel at the strategic and practical levels, including marketing, business development, research and development, patents, human resources, fundraising, government grants and finance.

Michal Werner – Age 63 – CTO

Michal Werner is the Chief Technology Officer of Beyond Oil Israel and is responsible for the development and implementation of its products. Ms. Werner is a food engineer and biotechnologist, having graduated from the Technion (BSc) and completed the TGM - Transition to General management course at L'Oréal at Cedep Fontainebleau. She also completed the Directors' Course in Public Companies and TPM (Total Productive Maintenance) course at JIPM (Japan Institute of Plant Maintenance). In 2018, Ms. Werner graduated from the School of Public Policy at the Hebrew University of Jerusalem (MA). She has held positions in the field of R&D, technology, process engineering, performance improvements, and plant management in the plants of corporations in Israel (CPC Bestfoods, Unilever, L'Oreal, Tate, and Lyle). In recent years, she has held parallel positions in the public municipal field as chief executive officer of the Karmiel City Economic Company, as a director in the Bar-Lev Industrial Zone in the north. In 2018, until the outbreak of the COVID-19 pandemic, Ms. Werner managed R&D and production at Gennie Enterprise Ltd., a start-up in the field of food. She joined Beyond Oil Israel in 2021 and was subsequently appointed to the position of full-time Chief Technology Officer.

Shany Touboul – Age 41 – CFO

Shany Touboul is the Chief Financial Officer of Beyond Oil Israel. Mr. Touboul is a senior financial and accounting executive with wide-ranging experience in publicly traded and private companies across the real estate, retail, accommodation and industrial industries along with “Big Four” public accounting and IFRS. He is a leader with broad international financial management and operations experience. He served as a senior associate at E&Y Israel between 2005 to 2008. He also served as senior controller from June 2008 to December 2013 at Gazit Globe ltd (NDX: GZTGF; TLV:GZT.TA) and participated in Gazit Globe IPO in the Nasdaq. Mr. Touboul also served as chief financial officer of A.S.R.R., a publicly traded company in Israel (TLV:SPIR) from 2014 to 2016. Mr. Touboul also served as chief financial officer of Chemada Fine Chemicals Ltd., an industrial medical industry company, from April 2017 to June 2018, as well as chief financial officer of the Dalal Group Ltd. from August 2018 to May 2021. Mr. Touboul has a BA in Business Administration from the College of Management Academic Studies in Israel and is also a Certified Public Accountant in Israel.

Dan Itzhaki – Age 52 - Director

Dan Itzhaki has been the Chief Executive Officer of Shomera Insurance Co. Ltd. since February 2010. Shomera Insurance Co. Ltd. is a non-life insurance company which was established in 2002 and is one of the most profitable insurance companies in the Israeli market. Since 2017, Mr. Itzhaki has also served as a member of the board of directors at Menora Mivtachim Pension & Provident Funds Ltd. (a subsidiary of Menora Mivtachim Holdings Ltd.) and the largest fund in Israel which manages NIS 200 billion in assets. Since 2019, Mr. Itzhaki has been a board member of Beyond Oil Israel. Since 2020, he has been the chairman of Shomera Real Estate Ltd. and a member of the board of directors of Shomera Agencies Ltd. Mr. Itzhaki has a BA in business management, specializing in finance, computers and information systems from the College of Management Academic Studies and a MA in Law from Bar-Ilan University.

Moshe Cohen – Age 65 - Director

Moshe Cohen is an expert in the field of regulation, export, and taxation. Mr. Cohen has served for many years in various management positions, such as Director of the Tax Investigations Department in Jerusalem, Director of the Customs House in Ashdod and Director of the Customs House in Tel Aviv-Yafo. As part of his job, he managed units with about 150 employees and more and was responsible for a tax collection system worth tens of billions of shekels. In addition, he served in the Israeli Intelligence Unit 8200.

Committees

The board of Beyond Oil Israel does not have any committees.

Corporate Cease Trade Orders or Bankruptcies

No director or officer of Beyond Oil Israel is, or has been within the past ten years, a director or officer of any other issuer that, while such person was acting in that capacity, was:

(a) the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director or officer of Beyond Oil Israel has within the ten years before the date of this Prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, theft or fraud.

Individual Bankruptcies

No director or officer of Beyond Oil Israel is, or, within the ten years before the date of this Prospectus, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of Beyond Oil Israel also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of Beyond Oil Israel have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under Israeli corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

Resulting Issuer

In connection with the completion of the Proposed Transaction each of the directors of the Company other than Robert Kiesman will resign as directors and the proposed directors of the Resulting Issuer will be appointed. The appointment of each of these persons is conditional upon the closing of the Proposed Transaction. In the event that the Proposed Transaction is not completed, the current directors of the Company will remain directors of the Company.

Name, Occupation and Security Holdings

The following table sets out the name, age, city of residence, position with the Resulting Issuer and the number and percentage of common shares of the Resulting Issuer which are anticipated to be owned or controlled by each of the proposed directors and officers of the Resulting Issuer.

Name, Age and City of Residence	Position	Principal Occupations Held During the Last 5 Years	Common Shares Owned	
			Number	Percentage
Dr. Tamir Gedo Age 52 Rishon LeTsiyon, Israel	CEO & Director	CEO of Beyond Oil (March 2021 – Present); CEO of BOL Pharma (Jan 2013 – May 2020).	2,180,059	4.62%
Jonathan Or Age 27 Tel Aviv, Israel	CMO & Director	Captain in an elite technology unit in the IDF from (2012-2018) and part of the Beyond Oil Israel executive team (2018-present).	6,414,831	13.1%
Michal Werner Age 63 Karmiel, Israel	CTO	R&D Manager at Gennie Enterprise Ltd. (2018-2020) and joined Beyond Oil Israel (2021-present).	Nil	0%
Shany Touboul Age 41 Ashdod, Israel	CFO	CFO at A.S.R.R. (2014-2016) CFO at Chemada Fine Chemicals Ltd. (2017-2018) CFO at Dalal Group Ltd. (2018-2021) and joined Beyond Oil Israel (2021-present).	Nil	0%
Dan Itzhaki Age 52 Beit Horon, Israel	Chairman of the Board	CEO at Shomera Insurance Co. Ltd. (2010 – present), Board Member at Menora Mivtachim Pension & Provident Funds Ltd. (2017-present), Board Member at Beyond Oil Israel (2019-present), Chairman of Shomera Real Estate Ltd. (2020-present), and Board Member at Shomera Agencies Ltd. (2020-present).	862,529	1.8%

Name, Age and City of Residence	Position	Principal Occupations Held During the Last 5 Years	Common Shares Owned	
			Number	Percentage
Robert Kiesman Age 45 British Columbia, Canada	Independent Director	Lawyer at Stikeman Elliott LLP (2010-2017), Director and Audit Committee Chair at Powerband Solutions Inc. (2018), Board Chairman at Steveston Harbour Authority (2014-present), Vice Chair of the board of the Provincial Health Services Authority (2015-2021), Chairman of Plurilock Security Inc. (2020-present), and CEO and Chairman of FTC Cards Inc. (April 2021-present).	200,000	0.41%
Gad Penini Age 70 Netanya, Israel	Independent Director	Managing Partner at Penini & Penini (1978-present).	100,000	0.2%
Hanadi Said Age 45 Haifa, Israel	Independent Director	Director of Global Risk Management at Teva Pharmaceutical Industries (2013-2018), and Co-Founder and CEO at Sensai Networks Ltd. (2018-present).	Nil	0%
Denise Landsberger Age 25 British Columbia, Canada	Corp. Secretary	Administrator at Valley Personnel Ltd. (2017-2019); Office Manager at Valley Personnel Ltd. (2019-present); Corporate and Administrative Clerk at Vancouver Corporate Solutions Inc. (2020-present); Corporate Secretary at FTC Cards Inc. (April 2021-present); Corporate Secretary at Emgold Mining Corporation (Oct 2021-present).	125,000	0.25%

Assuming completion of the Special Warrant Offering and the Proposed Transaction, directors and officers of Beyond Oil Israel, as a group, will own or control or exercise direction over 9,882,419 common shares of the Resulting Issuer, being approximately 20.2% of the issued common shares.

Directors and Officers – Biographies

The following biographies provide information in respect of the directors and officers of the Resulting Issuer who are not currently a director or officer of Beyond Oil Israel or the Company.

See "*Directors and Officers – The Company – Directors and Officers – Biographies*" and "*Directors and Officers – Beyond Oil Israel – Directors and Officers – Biographies*" for the biographies of the remaining directors and officers of the Resulting Issuer.

Gad Penini – Age 70 - Independent Director

Dr. Gad Penini is a Certified Public Accountant and has spent more than 40 years as a managing partner of the CPA firm Penini & Penini. He is also an experienced arbitrator and mediator and provides consulting services regarding financial, managerial, corporate governance, internal control and strategy to various companies. He serves as a director and Chair of the Audit Committee and Chair of the Financial Committee of Amot Ltd., which is listed on the Tel Aviv Stock Exchange. He has also served as chairman and a board member of several other public and private companies. Dr. Penini was deputy mayor of the City of Ramat HaSharon and was previously a member of its municipal council, during which time he led many development plans and oversaw the restructuring of its financial position. Dr. Penini brings the combination of practical and academic experience to the Board, having led the accounting studies in the School of Business Administration and was the head of the accounting program for CPAs in The Center of Academic Studies at Or Yehuda. He has also served as a senior lecturer in various other respected academic institutions and universities. Dr. Penini has a PhD in Business Administration and a Master of Laws (LL.M) from Bar Ilan University, Israel, a Masters in Science of Finance (MSF) from Baruch College CUNY and a BA in Economics and a BA in Accounting from Tel Aviv University. Dr. Penini was accredited as a Certified Information System Auditor.

Hanadi Said – Age 45 - Independent Director

Hanadi has over 20 yrs. experience in the field of business management, strategic consulting & risk management in Israel and USA. Since June 2018 until present, Hanadi is the co-founder and CEO of Sensai Networks Ltd., a startup providing machine learning based anomaly detection & prediction tool for Hybrid cloud environments. Between 2013 and 2018 Hanadi was director of global risk management at Teva Pharmaceutical Industries working directly with the board of directors. Between 2004 and 2013 Hanadi was senior manager at Deloitte Israel in the enterprise risk management service (ERS) business units serving clients, reporting to the BOD and management , and providing risk, internal audit, internal control, anti-fraud, and general consulting services to clients from various industries, all publicly traded organizations. In addition, While at Deloitte Hanadi had additional role of quality and compliance director over Deloitte EMEA practices. Between 2002 and 2004 Hanadi was a senior auditor in PwC Boston. Mrs. Said graduated with a B. Commerce- Accounting from McGill University, Canada, and has an MBA – corporate finance (with distinction) from Bentley University, USA. Hanadi is a US CPA (non-practicing), a certified internal auditor, and a certified risk manager (CRMA).

Committees

The only committees of the board of the Resulting Issuer are anticipated to be the Audit Committee and the Compensation Committee. The Audit Committee of the Resulting Issuer will consist of Dr. Gad Penini (Chair), Hanadi Said and Robert Kiesman. The Compensation Committee will consist of Robert Kiesman (Chair) and Dan Itzhaki.

Corporate Cease Trade Orders or Bankruptcies

No proposed director or officer of the Resulting Issuer is, or has been within the past ten years, a director or officer of any other issuer that, while such person was acting in that capacity, was:

(a) the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No proposed director or officer of the Resulting Issuer has within the ten years before the date of this Prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, theft or fraud.

Individual Bankruptcies

No proposed director or officer of the Resulting Issuer is, or, within the ten years before the date of this Prospectus, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

EXECUTIVE COMPENSATION

In this section "**Named Executive Officer**" or "**NEO**" means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CEO**"), each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than C$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

The Company

Summary Compensation Table

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2020 and December 31, 2019.

During the financial year ended December 31, 2020, based on the definition above, the NEOs of the Company were: Arie Halpern, former President and CEO and Neuzeli de Sousa Leles, former CFO. The directors of the Company who were not NEOs during the financial year ended December 31, 2020 were: Jose Ezil Veiga da Rocha, Marc S. Nehamkin, Celso Luis Posca and N. Ross Wilmot. N. Ross Wilmot resigned as a director effective August 31, 2020 and Messrs. Veiga da Rocha, Posca and Nehamkin resigned effective May 6, 2021.

During the financial year ended December 31, 2019, based on the definition above, the NEOs of the Company were: Arie Halpern, CEO and Neuzeli de Sousa Leles, CFO. The directors of the Company who were not NEOs during the financial year ended December 31, 2019 were: Jose Ezil Veiga da Rocha, Celso Luis Posca, Marc S. Nehamkin, and N. Ross Wilmot. N. Ross Wilmot resigned as a director effective August 31, 2020.

Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2020 and December 31, 2019

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Arie Halpern[3] Former President & CEO	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Neuzeli de Sousa Leles[1][3] Former CFO	2020 2019	Nil 12,600	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 12,600

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Jose Ezil Veiga da Rocha(3) Former Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Celso Luis Posca(2)(3) Former Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Marc S. Nehamkin(3) Former Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
N. Ross Wilmot(3) Former Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

1) All compensation paid to Ms. de Sousa Leles was paid in connection with her role as CFO of Syspoints Servicos de Informatica Ltda, a wholly-owned subsidiary of FTC Cards Inc.
2) All compensation paid to Mr. Posca was paid in connection with his role as CEO of Syspoints Servicos de Informatica Ltd, a wholly-owned subsidiary of FTC Cards Inc.
3) N. Ross Wilmot resigned from the board of directors effective August 31, 2020 and Messrs. Halpern, de Sousa Leles, da Rocha, Posca and Nehamkin resigned on May 6, 2021.

Outstanding Compensation Securities

There were no compensation securities issued to NEOs and directors of the Company during the financial year ended December 31, 2020.

Exercise of Compensation Securities by NEOs and Directors

No stock options of the Company expired unexercised during the financial year ended December 31, 2020.

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial year ended December 31, 2020.

Employment, Consulting and Management Agreements

As of December 31, 2020 and to date, the Company has no agreements of compensatory plans or arrangements with any of its NEOs concerning severance payments of cash or equity compensation resulting from the resignation, retirement or any other termination of employment or other agreement with the Company or as a result of a change of control of the Company.

Oversight and Description of Director and NEO Compensation

Elements of the Compensation Program

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company's shareholders. In the Board's view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines the compensation for the CEO and CFO. The compensation of the Company's executives is determined by the Board after the recommendation of the CEO and CFO. In each case, the Board takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources. During the financial year ended December 31, 2020, no compensation was paid to the CEO or CFO in connection with their capacity as an officer of the Company.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Executive Compensation

There are no arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

Director Compensation

The directors receive no cash compensation for acting in their capacity as directors of the Company.

There are no arrangements under which directors were compensated by the Company during the two most recently completed financial years for their services in their capacity as directors.

Option-Based Awards

The Company has adopted the Stock Option Plan to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders. As of the date of this Prospectus, the Company has granted 975,000 Options. See "Options and Other Rights to Purchase Securities."

Pension Plan

The Company does not have a pension plan for any of its directors or NEOs.

<u>Beyond Oil Israel</u>

Compensation Discussion and Analysis

Tamir Gedo (Chief Executive Officer and Director), Shany Touboul (Chief Financial Officer), Michal Werner (Chief Technology Officer) and Jonathan Or (Chief Marketing Officer) are the only Named Executive Officers of Beyond Oil Israel.

Executive compensation is intended to be consistent with the Beyond Oil Israel's business plans, strategies and goals while taking into account various factors and criteria, including competitive factors, cash resources and the company's performance. The company's executive compensation program is intended to provide an appropriate overall compensation package that permits Beyond Oil Israel to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the company. Beyond Oil Israel's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. Compensation for the NEOs is intended to reflect a fair evaluation of overall performance. The board of Beyond Oil Israel has not appointed a compensation committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the company's compensation program, recommending compensation of the company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the board as a whole. The board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for Beyond Oil Israel's senior management. The board reviews compensation of senior management on an annual basis.

Current executive officers of Beyond Oil Israel consists of a base salary, along with annual incentive compensation in the form of a bonus and a longer-term incentive in the form of stock options which is intended to be competitive in the aggregate while delivering an appropriate balance between annual compensation (base salary and cash bonuses) and long-term compensation (stock options).

When determining individual compensation levels for the company's NEOs, a variety of factors are considered including: the overall financial and operating performance of Beyond Oil Israel, each NEO's individual performance and contribution towards meeting corporate objectives and each NEO's level of responsibility and length of service.

The board of Beyond Oil Israel considers the following objectives when reviewing annual compensation: (i) retaining individuals critical to the growth and overall success of Beyond Oil Israel; (ii) rewarding achievements of individuals; (iii) providing fair and competitive compensation; and (iv) compensating individuals based on their performance.

To this end, executive compensation has generally been set at levels commensurate with a company at an earlier-stage of corporate development with fixed increases upon the completion of certain milestones including completion of the Proposed Transaction, in recognition of the increased commitment that will be required of a public issuer.

As stated above, Beyond Oil Israel has adopted the BOIL Option Plan to assist in attracting, retaining and motivating directors, officer, employees, consultants and contractors of Beyond Oil Israel and of its affiliates and to closely align the personal interests of such service providers with the interests of the company and its shareholders. As of the date of this Prospectus, 120,922 options have been granted and are outstanding under the BOIL Option Plan. See "*Options and Other Rights to Purchase Securities*".

Beyond Oil Israel is aware that compensation practices can have unintended risk consequences. At the present time, the board is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk.

Summary Compensation Table

Beyond Oil Israel was not a reporting issuer at any time during the most recently completed period for which financial statements are available. Accordingly, the following table sets out information concerning the expected compensation to be paid to each NEO once the Company becomes a Reporting Issuer, effective as of date hereof, for the 12 month period after the Listing Date:

Name and Principal Position	Salary (CAD$)	Share-based Awards (CAD$)	Option-based Awards (CAD$)	Non-equity Incentive Plan Compensation (CAD$)		Pension Value[1] (CAD$)	All other Compen-sation[2] (CAD$)	Total Compen-sation (CAD$)
				Annual Incentive Plans	Long-term Incentive Plans			
Tamir Gedo - CEO	284,016	-	28,749	-	-	83,801	36,448	**433,014**
Jonathan Or - CMO	165,672	-	-	-	-	48,378	26,451	**240,501**
Shany Touboul - CFO	151,476	-	14,429	-	-	44,127	26,451	**236,484**
Michal Werner - CTO	132,540	-	7,215	-	-	38,460	26,451	**204,665**

Notes:
(1) Consists of standard social benefits in Israel.
(2) Consists of customary fringe benefits, primarily a car allowance.

Incentive Plan Awards

Option grants are used to align executive interests with those of the shareholders of Beyond Oil Israel and are based on the executive's performance, level of responsibility, as well as the number and exercise price of options previously issued to the executive as part of the overall aggregate total compensation package. Options may be granted on an annual basis in connection with the review of executives' compensation packages, or upon hire or promotion and as special recognition for extraordinary performance.

Pension Plan Benefits

Beyond Oil Israel does not have a pension, retirement or similar plan. [

Termination of Employment and Change of Control Benefits

Beyond Oil Israel has written employment agreements with each of its NEOs. Each of the Tamir Employment Agreement, Shany Employment Agreement, Jonathan Employment Agreement and Michal Employment Agreement are described above, none of which provide for any payment at, following or in connection with any termination, resignation, retirement, a change in control or a change in the NEO's responsibilities. See "*General Development and Business of the Company – Beyond Oil Israel - Employment, Consulting and Management Agreements*".

Tamir Gedo is entitled to a special bonus of 1% of the value given to Beyond Oil Israel, its shares, its assets or its operations, as the case may be, upon the sale of all Beyond Oil Israel's shares or all or substantially all of Beyond Oil Israel's assets in one transaction or in a series of related transactions including by way of a perpetual license to be granted by Beyond Oil Israel or by way of merger the result of which is that Beyond Oil Israel's shareholders hold less than 50% of the shares and voting rights in the surviving entity, and all at a minimum company valuation of US$100,000,000 (one hundred million).

Director Compensation

Non-executive directors of Beyond Oil Israel are not paid fees but are reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the board, committees of the board or meetings of the shareholders of Beyond Oil Israel.

Resulting Issuer

The objectives, criteria and analysis of the compensation of the executive officers of the Resulting Issuer will be substantially, if not identical, to how Beyond Oil Israel compensates its executive officers.

However, it is anticipated that from time-to-time (including on the completion of the Proposed Transaction) Options will be granted under the Option Plan to: (i) provide an incentive to the participants; (ii) achieve the longer-term objectives of the Resulting Issuer; (iii) give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Resulting Issuer; (iv) and attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Resulting Issuer. The Resulting Issuer's Board will award Options to the participants based upon the recommendation of the Chief Executive Officer of the Resulting Issuer, other than directors. Grants to directors will be agreed to by the Board as a whole.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The Company

As of the date of this Prospectus, no director or executive officer of the Company or any associate thereof, is indebted to the Company or any of its subsidiaries, or has been at any time during the preceding financial year.

Beyond Oil Israel

As of the date of this Prospectus, no director or executive officer of Beyond Oil Israel or any associate thereof, is indebted to Beyond Oil Israel or has been at any time during the preceding financial year.

AUDIT COMMITTEE

The Audit Committee's Mandate

The Board has adopted a Charter of the Audit Committee, a copy of which is attached to this Prospectus as Exhibit "B" setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Audit Committee will be to assist the Board in discharging the oversight of:

- the integrity of the Company's financial statements and accounting and financial processes and the audits of our financial statements;
- the Company's compliance with legal and regulatory requirements;
- the Company's external auditors' qualifications and independence;
- the work and performance of the Company's financial management and its external auditors; and
- the Company's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Board.

The Audit Committee has access to all books, records, facilities, and personnel and may request any information about the Company as it may deem appropriate. It also has the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Company's Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by the Company's auditors.

Composition of the Audit Committee

The Audit Committee of the Company consists of Kyle Haddow (Chair), Nir Eliyahu, and Robert Kiesman. All of the members of the Audit Committee are independent. In accordance with section 6.1.1(3) of NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the Audit Committee will not be executive officers, employees or control persons of the Company.

All members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110. For a summary of the experience and education of the Audit Committee members see "*Directors and Officers – Biographies*".

Reliance on Certain Exemptions

The Company is relying on the exemptions provided for "venture issuers" in section 6.1 of NI 52-110 with respect to Part 3 – *Composition of the Audit Committee* and Part 5 – *Reporting Obligations*.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by BDO RCS Auditores Independentes SS to ensure auditor independence. The following table sets out the aggregate fees billed by BDO RCS Auditores Independentes SS for the audit fees and the tax fees for the two most recently completed fiscal years for each category of fees described:

Nature of Services	Fees Paid to BDO RCS Auditores Independentes SS in Year Ended December 31, 2020	Fees Paid to BDO RCS Auditores Independentes SS in Year Ended December 31, 2019
Audit Fees(1)	$13,237	$11,632
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil
Total	$13,237	$11,632

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Beyond Oil Israel

Beyond Oil Israel currently does not have an audit committee.

The Resulting Issuer

The Resulting Issuer plans to continue to use the audit committee charter currently in place for the Company, a copy of which is attached as Exhibit "B".

The audit committee of the Resulting Issuer will consist of Dr. Gad Penini (Chair), Hanadi Said and Robert Kiesman, each of whom is independent and financially literate in accordance with NI 52-110. For a summary of the experience and education of the audit committee members of the Resulting Issuer see "*Directors and Officers – Biographies*".

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the Board, whose members are elected by and are accountable to the shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Pursuant to NI 52-110, directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board is responsible for monitoring the Company's senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The Board currently consists of three (3) directors: Nir Eliyahu, Kyle Haddow and Robert Kiesman (Chairman). The independent directors are Nir Eliyahu and Kyle Haddow. Robert Kiesman, the CEO of the Company, is a non-independent director.

The directors of the Resulting Issuer will consist of Dr. Tamir Gedo, Jonathan Or, Dan Itzhaki, Robert Kiesman, Gad Penni and Hanadi Said. Neither Tamir Gedo nor Jonathan Or are independent on the basis that they will be officers of the Resulting Issuer, and Robert Kiesman is not independent by virtue of having been CEO of the Company prior to the completion of the Proposed Transaction. Mr. Itzhaki will act as chairman of the Board.

Directorships

The following directors of the Company are currently directors of other reporting issuers (or equivalent in a foreign jurisdiction):

Name of director	Name of Reporting Issuer	Exchange
Robert Kiesman	Four Arrows Capital Corp.	TSX-V
	Plurilock Security Inc.	TSX-V
Kyle Haddow	Wangton Capital Corp.	NEX
	Norsemont Mining Inc.	CSE
	Monarch West Ventures Inc.	TSX-V

The following proposed directors of the Resulting Issuer are currently directors of other reporting issuers (or equivalent in a foreign jurisdiction):

Name of director	Name of Reporting Issuer	Exchange
Robert Kiesman	Four Arrows Capital Corp.	TSX-V
	Plurilock Security Inc.	TSX-V

Orientation and Continuing Education

When new directors are appointed to the Board, they receive an orientation, commensurate with their previous experience on the Company's business and on the responsibilities of directors.

Meetings of the Board may also include presentations by the Company's management to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

The board of directors of the Resulting Issuer does not intend to adopt a formal written "Code of Business Conduct and Ethics". However, the board of directors of the Resulting Issuer will monitor the activities of management on an ongoing basis to ensure that the highest standard of ethical conduct is maintained. Should the Resulting Issuer's operations grow in size and scope or should the Board or a committee thereof consider it in the best interests of the Resulting Issuer, the Board will implement additional policies and standards relating to ethical business conduct, in line with industry standards and any requirements of applicable law.

Nomination of Directors

The Board will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Resulting Issuer does not intend to adopt a formal process with respect to the appointment of new directors or appoint a nominating committee. The Resulting Issuer expects that when the time comes to appoint new directors to the board of directors, that the nominees would be recruited by the proposed board members, and the recruitment process would involve both formal and informal discussions among board members and management of the Resulting Issuer.

Compensation

The Board is responsible for determining compensation for the officers, employees and non-executive directors of the Company. The Board annually reviews all forms of compensation paid to officers, employees and non-executive directors, both with regard to the expertise and experience of each individual and in relation to general industry standards. See "*Executive Compensation*". The Resulting Issuer intends to continue to manage compensation of its officers, employees and directors without a compensation committee unless the size and scope of its operations warrant the formation of such a committee.

Other Committees of the Board of Directors

The Board has no committees other than the Audit Committee. **t**

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and Audit Committee.

The Resulting Issuer will not have a formal process for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant.

RISK FACTORS

The Resulting Issuer does not currently carry on any active business and, accordingly, the current business of Beyond Oil Israel will be the Resulting Issuer's business upon completion of the Proposed Transaction. Accordingly, risk factors relating to Beyond Oil Israel's current business will be risk factors relating to the Resulting Issuer's business. Due to the nature of that business, the political, legal and economic climate in which Beyond Oil Israel operates and the present stage of development of its business, the Resulting Issuer may be subject to significant risks. The Resulting Issuer's actual operating results may be very different from those expected as at the date of this Prospectus. Readers should carefully consider all such risks including the following:

Risks Relating to the Proposed Transaction

Regulatory Approval of the Proposed Transaction may not be obtained.

The completion of the Proposed Transaction is subject to the satisfaction of a number of conditions, including final acceptance of the CSE. There can be no assurance that all of the necessary regulatory approvals will be obtained. If the Proposed Transaction, as contemplated by the Share Purchase Agreement is not completed for these reasons or for any others, Beyond Oil Israel and the Resulting Issuer will have incurred significant costs associated with the failed implementation of the Proposed Transaction.

The Definitive Agreement may be terminated.

The Share Purchase Agreement specifies that the parties' obligation to effect the Proposed Transaction is conditional upon the satisfaction of a number of conditions. If any of the conditions are not satisfied or waived, the Proposed Transaction may not be completed. Accordingly, there can be no certainty that Share Purchase Agreement will not be terminated by either party prior to the completion of the Proposed Transaction

Significant sales of Resulting issuer Shares after the expiry of lock-up or escrow restrictions could adversely affect the market price of the Resulting Issuer Shares.

Resulting Issuer shares to be held by certain directors, executive officers and control persons of Beyond Oil, certain advisors to the proposed Transaction and certain insiders of the Resulting Issuer will be subject to escrow pursuant to the policies of the CSE or by contract. Sales of a substantial number of the Resulting Issuer shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Resulting Issuer Shares and may make it more difficult for investors to sell Resulting Issuer Shares at a favourable time and price.

Risks Related to the Resulting Issuer

Limited Operating History

The Resulting Issuer, upon its formation, will have a very limited history of operations and is considered a start-up company. As such, the Resulting Issuer will be subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of the Resulting Issuer's success must be considered in light of its early stage of operations.

Negative Cash Flow from Operations

Each of Beyond Oil Israel and the Company have negative operating cash flow. The Resulting Issuer cannot guarantee if it will have positive cash flow from operating activities in future periods. The Resulting Issuer cannot provide any assurance that it will achieve sufficient revenues to achieve or maintain profitability or positive cash flow from operating activities. If the Resulting Issuer does not achieve or maintain profitability or positive cash flow from operating activities, then there could be a material adverse effect on the Resulting Issuer's business, financial condition and results of operation and the Resulting Issuer may need to deploy a portion of its working capital to fund such negative operating cash flows or seek additional sources of funding, of which there is no assurance that any required funding will be obtained.

In the event that cash flow from operations do not adequately support the fixed costs of the Resulting Issuer will then be required to re-evaluate its planned expenditures, reallocate its total resources and may require future financings in such a manner as the Board of Directors and management deem to be in the Resulting Issuer's best interest. This may result in a substantial reduction of the scope of the Resulting Issuer's existing and planned operations. The presence of these conditions may indicate the existence of a material uncertainty that may cast significant doubt regarding the Resulting Issuer's ability to continue as a going concern.

The Resulting Issuer as a Going Concern

The operations of the Resulting Issuer as a going concern is dependent upon the Resulting Issuer's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Resulting Issuer is expected to continue to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Resulting Issuer will be successful in such efforts; if the Resulting Issuer is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Resulting Issuer does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Resulting Issuer cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

Need for Additional Financing

The Company and Beyond Oil Israel believe that the Resulting Issuer will have sufficient capital to operate its business for at least 12 months following Listing. However, it is possible that costs associated with the operation of the Resulting Issuer's business will exceed its projections depending on the timing of future operating and capital expenses. Assuming the Resulting Issuer's existing funds sustain its operations for this period, the Resulting Issuer believes that it may thereafter require additional capital for additional product development, sales and marketing operations, other operating expenses and for general corporate purposes to fund growth in the Resulting Issuer's markets.

The Company and Beyond Oil Israel do not know how much additional funding the Resulting Issuer may require. The Resulting Issuer may therefore be required to seek other sources of financing in the future, which sources (assuming it is able to locate such alternative sources of financing) may be on terms less favorable to the Resulting Issuer than those in the Special Warrant Offering. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants.

If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Resulting Issuer will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Resulting Issuer may be unable to develop or enhance its products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or The Resulting Issuer may be forced to cease operations.

No Guarantee of Profit

There is no assurance as to whether the Resulting Issuer will be profitable, earn revenues, or pay dividends. Beyond Oil Israel has incurred and the Resulting Issuer anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Resulting Issuer's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Foreign Jurisdiction Control Restrictions

Non-resident individuals and non-domiciled foreign legal entities may be subject to restrictions on the acquisition or lease of properties in certain markets. Limitations also apply to legal entities domiciled in such countries which are controlled by foreign investors. Accordingly, the Resulting Issuer's future operations in Israel may be impaired as a result of such restrictions on the acquisition or use of property. Furthermore, the Resulting Issuer's ownership or access rights in respect of any property it owns or leases in such jurisdictions may be subject to legal challenges, all of which could result in a material adverse effect on the Resulting Issuer's business, results of operations, financial condition and cash flows.

Exchange Rate Fluctuations

The Resulting Issuer may incur expenses in the U.S. dollar and the Israeli Shekel. As a result, The Resulting Issuer is exposed to the risks that the Israeli Shekel may devalue relative to the U.S. dollar, or, if the Israeli Shekel appreciates relative to the U.S. dollar, that the inflation rate in Israel may exceed such rate of devaluation of the Israeli Shekel, or that the timing of such devaluation may lag behind inflation in Israel. The Resulting Issuer cannot predict any future trends in the rate of inflation in Israel or the rate of devaluation, if any, of the Israeli Shekel against the U.S. dollar.

Difficulty Enforcing Canadian Law Against an Israeli Company

The majority of the directors and officers of the Resulting Issuer will be based in Israel, and most of the Resulting Issuer's assets and assets of the directors and officers of the Resulting Issuer will be located outside of Canada. Therefore, a judgment obtained against the Resulting Issuer, or any of these persons, including a judgment based on the civil liability provisions of the Canadian securities laws, may not be collectible in Canada and may not be enforced by an Israeli court. It also may be difficult to effect service of process on these persons in Canada or to assert Canadian securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not Canadian law is applicable to the claim. If the Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against the Resulting Issuer or the Resulting Issuer in Israel, it may be difficult to collect any damages awarded by either a Canadian or a foreign court.

Officer and Director Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, The Resulting Issuer's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. In some cases, the Resulting Issuer's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs and that could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers and directors.

In addition, the Resulting Issuer may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or Companies with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer. In addition, from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Company Reputation

Damage to the Resulting Issuer's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Resulting Issuer and its activities, whether true or not. Although the Resulting Issuer believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Resulting Issuer does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Resulting Issuer's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Uncertainty of Use of Proceeds

Although Beyond Oil Israel and the Company have set out the intended use of proceeds available to the Resulting Issuer, these intended uses are estimates only and may be subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Resulting Issuer to apply these funds effectively could have a material adverse effect on the Resulting Issuer's business, including the Resulting Issuer's ability to achieve its stated business objectives.

Internal Controls and Public Confidence

One or more material weaknesses in the Resulting Issuer's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Resulting Issuer's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Resulting Issuer's policies or procedures may deteriorate. If the Resulting Issuer fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Resulting Issuer may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

There has been no prior public market for the Resulting Issuer Shares, and an active trading market may not develop.

Prior to the Proposed Transaction, there has been no active public market for the shares of either Beyond Oil Israel or the Company. An active trading market may not develop following completion of the Proposed Transaction or, if developed, may not be sustained. The lack of an active market may impair an investor's ability to sell its shares at the time he or she wishes to sell them or at a price that he or she considers reasonable. The lack of an active market may also reduce the fair market value of the Resulting Issuer's Shares. An inactive market may also impair an investor's ability to raise capital by selling its Resulting Issuer Shares and may impair the Resulting Issuer's ability to acquire other companies by using its Resulting Issuer Shares as consideration.

The Resulting Issuer will not have any control over the research and reports that securities or industry analysts publish about the Resulting Issuer or its business.

The trading market for the Resulting Issuer Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Resulting Issuer or its business. The Resulting Issuer will not have any control over these analysts. If one or more of the analysts who covers the Resulting Issuer should downgrade the Resulting Issuer Shares or change their opinion of the Resulting Issuer's business prospects, the Resulting Issuer's share price would likely decline. If one or more of these analysts ceases coverage of the Resulting Issuer or fails to regularly publish reports on the Resulting Issuer, the Resulting Issuer could lose visibility in the financial markets, which could cause the Resulting Issuer's share price or trading volume to decline.

No Dividends

The current policy of both the Company and Beyond Oil Israel is to retain earnings to reinvest in the Company or beyond Oil Israel, respectively. Therefore, the Resulting Issuer does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Resulting Issuer's dividend policy will be reviewed from time to time by the Board of Directors of the Resulting Issuer in the context of its earnings, financial condition and other relevant factors, however, it is unlikely that dividends will be paid in the foreseeable future, or at all and Shareholders will not be able to receive a return on their Common Shares unless they sell them. See "*Dividend Policy*".

Risks Relating to the Business of Beyond Oil Israel

Implementing Business Strategy in New Markets

The growth and expansion of the Resulting Issuer's business is heavily dependent upon the successful implementation of the Resulting Issuer's business strategy.

In addition, Beyond Oil Israel's growth strategy is dependent upon expanding its product offerings into new business areas or new geographic markets. There can be no assurance that Beyond Oil Israel will be successful in the implementation of its business strategy or that these new business areas and geographic markets will generate the anticipated revenue. In addition, any expansion into new business areas or geographic markets could expose Beyond Oil Israel to new risks, including compliance with applicable laws and regulations, changes in the regulatory or legal environment; different customer preferences or habits; adverse exchange rate fluctuations; adverse tax consequences; differing technology standards or end-user requirements and capabilities; difficulties staffing and managing foreign operations; infringement of third-party intellectual property rights; the cost of localizing software (including translations) or otherwise adapting its products and services for new markets; difficulties collecting accounts receivable; or difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner.

.These factors could cause the Resulting Issuer's expansion into new business areas or geographic markets to be unsuccessful or less profitable than its existing markets or could cause the Resulting Issuer's operating costs to increase unexpectedly or its sales to decrease, any of which could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Cost and Schedule Risk

It is the objective of Beyond Oil Israel to commence scaled commercial production of Beyond Oil in the third quarter of 2022, which in turn requires modification to Beyond Oil Israel's production facility and any delay or unanticipated costs in completing those modifications, will delay the commencement of commercial production and could have a material adverse effect on the Resulting Issuer's financial condition.

Foreign Operations

Beyond Oil Israel intends to expand its business to include international sales of its products. There are a number of risks inherent in international activities, including: unexpected changes in governmental policies concerning the import and export of goods; services and technology and other regulatory requirements; tariffs and other trade barriers; costs and risks of localizing products for foreign languages; longer accounts receivable payment cycles; limits on repatriation of earnings; the burdens of complying with a wide variety of foreign laws; and difficulties supervising and managing local personnel. As such, the Resulting Issuer's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of the Resulting Issuer, including, but not limited to, changes in regulatory requirements, economic sanctions, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which the Resulting Issuer's operations are conducted. Laws and policies of Israel and such foreign jurisdictions affecting foreign trade, taxation and investment may have a material adverse effect on the Resulting Issuer's operations.

If the Resulting Issuer's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed. In the event of a dispute arising in connection with Resulting Issuer's operations in a foreign jurisdiction where the Resulting Issuer does conduct or will conduct its business, the Resulting Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Resulting Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Resulting Issuer's activities in foreign jurisdictions could be substantially affected by factors beyond their control, any of which could have a material adverse effect on the Resulting Issuer. The Resulting Issuer believes that its management and the proposed management of the Resulting Issuer are sufficiently experienced to reduce these risks.

Initiating Intellectual Property Claims

Beyond Oil Israel’s success will depend, in part, on its ability to establish and maintain trade secret protection, enforce the rights granted to it by its existing patents and trademarks, and operate without infringing the property rights of third parties. To the extent Beyond Oil does not hold patents or trademarks for any intellectual property, current or future, where patent or trademark protection will be an effective and affordable means of maintaining competitive advantage, it is expected that Beyond Oil Israel will make application for patents and trademarks in the appropriate jurisdictions, however it is uncertain whether any such application will be approved. The products Beyond Oil Israel develops will also incorporate technologies that may not be protected by any patent and are capable of being duplicated or improved upon by competitors.

Beyond Oil Israel enters into confidentiality agreements with key employees and consultants, and generally control access to and distribution of proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use Beyond Oil Israel’s products or technology without authorization, or to develop a similar technology or technologies independently. In addition, effective patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions. Any lack of protection of Beyond Oil Israel’s intellectual property rights, whether due to unavailability of or limitations on such protection or to prohibitive costs of such protection, may have a substantial negative impact on it.

If Beyond Oil Israel resorts to legal proceedings to enforce intellectual property rights, the proceedings could be burdensome, disruptive and expensive, and distract the attention of management which could have a material adverse effect on Beyond Oil Israel and, as a result, its business, operating results or financial condition. There can be no assurance that Beyond Oil Israel would prevail in any legal proceedings to enforce Beyond Oil Israel’s intellectual property rights.

Defending Intellectual Property Claims

The food production technology industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. Beyond Oil Israel cannot be certain that the products developed by it do not and will not infringe issued patents, patents that may be issued in the future or other intellectual property rights of others.

In addition, product development is inherently uncertain in a rapidly evolving technological environment in which there may be numerous patent applications pending, in any number of jurisdictions, many of which are confidential when filed, with regard to similar technologies. Beyond Oil Israel may face claims by third parties that a product or products, mark or name, or a technology or technologies infringe their patents or other intellectual property rights, as applicable. Any claim of infringement could cause Beyond Oil Israel to incur substantial costs defending against the claim, particularly if the counterparty to such claim has greater resources than Beyond Oil Israel, even if the claim is invalid, and could distract the attention of management. If any of Beyond Oil Israel's technologies is found to violate third-party proprietary rights, it may be required to pay substantial damages. In addition, Beyond Oil Israel may be required to re-engineer a product or products or obtain licenses from third parties to continue to offer those products. Any effort to re-engineer products or obtain licenses on commercially reasonable terms may not be successful, which could prevent Beyond Oil Israel from selling its products, and in any case, could substantially increase costs and have a material adverse effect on Beyond Oil Israel and, thus, its business, financial condition and results of operations.

Dependence on Key Personnel and Employees

The success of Beyond Oil Israel is dependent on the services and performance of key executives, including the directors of the Resulting Issuer and a small number of highly skilled and experienced executives and personnel. Beyond Oil Israel strongly depends on the business and technical expertise of its management and key personnel including, Dr. Tamir Gedo and Jonathan Or and a number of other key managerial, marketing, planning, financial, technical and operations personnel. Due to the size of Beyond Oil Israel and the high competition for highly skilled technical, research and development, management and other employees., the loss of any of these individuals or Beyond Oil Israel's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Management of Growth

Beyond Oil Israel may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of Beyond Oil Israel to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Beyond Oil Israel to deal with this growth may have a material adverse effect on Beyond Oil Israel's business, financial condition, results of operations and prospects.

Price of Raw Materials

Volatility in the prices of raw materials and other supplies Beyond Oil Israel purchases could increase its cost of sales and reduce its profitability. Moreover, Beyond Oil Israel may not be able to implement product price increases to cover any increased costs, or any price increases implemented may result in lower sales volumes. If the Company is not successful in managing its ingredient and packaging costs, and unable to increase its prices to cover increased costs or if such price increases reduce sales volumes, then such increases in costs will adversely affect its business, results of operations and financial condition.

Third-Party Supplier Compliance

Failure by Beyond Oil Israel's suppliers of raw materials to comply with food safety, environmental or other laws and regulations, or with the specifications and requirements of its products, may disrupt its supply of products and adversely affect its business. If suppliers or partners fail to comply with food safety, environmental or other laws and regulations, or face allegations of non-compliance, their operations may be disrupted. In the event of actual or alleged noncompliance, the Company might be forced to find alternative suppliers or partners and it may be subject to lawsuits related to such non-compliance. As a result, Beyond Oil Israel's supply of raw materials or finished products could be disrupted or its costs could increase, which would adversely affect its business, results of operations and financial condition. Additionally, actions Beyond Oil Israel may take to mitigate the impact of any disruption or potential disruption in its supply of raw materials or finished products, including increasing inventory in anticipation of a potential supply or production interruption, may adversely affect its business, results of operations and financial condition.

Supply and Demand Risk

If Beyond Oil Israel fails to modify its manufacturing and production capacity for initial commercial production, its business and operating results and its brand reputation could be harmed.

Thereafter, if Beyond Oil Israel does not have sufficient capacity to meet customers' demands and to satisfy increased demand, it will need to expand operations, supply and manufacturing capabilities. However, there is risk in Beyond Oil Israel's ability to effectively scale production processes and effectively manage supply chain requirements, Beyond Oil Israel must accurately forecast demand for products in order to ensure it has adequate available manufacturing capacity. Beyond Oil Israel forecasts are based on multiple assumptions which may cause estimates to be inaccurate and affect its ability to obtain adequate manufacturing capacity in order to meet the demand for products, which could prevent it from meeting increased customer demand and harm Beyond Oil Israel's brand and its business. However, if Beyond Oil overestimates its demand and overbuilds capacity, it may have significantly underutilized assets and may experience reduced margins. If Beyond Oil Israel does not accurately align its manufacturing capabilities with demand, if it experiences disruptions or delays in its supply chain, or if it cannot obtain raw materials of sufficient quantity and quality at reasonable prices and in a timely manner, its business, financial condition and results of operations may be materially adversely affected.

Reliance on Key Inputs and Supply Chain Management

Beyond Oil Israel's business is dependent on a number of key inputs both for the commencement of commercial production and then for continued operation. Any significant interruption or negative change in the availability of the supply chain for key inputs could materially impact the business, financial condition and operating results of Beyond Oil Israel. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of Beyond Oil Israel.

Transportation and Delivery Risk

In the future, Beyond Oil Israel will seek to distribute its products directly to end users, and will rely on third party distribution and transportation services. This can cause logistical problems with, and delays in, end users obtaining their orders which Beyond Oil Israel's has no control over. Any delay by third party transportation services may adversely affect Beyond Oil Israel's financial performance. Moreover, any breach of security during transport could have material adverse effects on Beyond Oil Israel's business, financial condition and prospects.

COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of novel strain of coronavirus ("**COVID-19**") a global pandemic. In response to the outbreak, governmental authorities in Canada and Israel have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. To date, the COVID-19 outbreak and the response of governmental authorities to try to limit it are not having a significant impact on the food production sector in Israel. However, an expanded spread of COVID-19 within Israel could have an adverse impact on the Resulting Issuer's future business, operations and financial results, including through disruptions in labour inputs and cultivation and processing activities, supply chains and sales channels.

In response to the COVID-19 pandemic, Beyond Oil Israel has implemented precautionary measures at its facilities to ensure the safety of its staff, including limiting visits to essential personnel and ensuring proper protocols around sanitation and social distancing. What further impact, if any, the COVID-19 pandemic may have on the food production industry in Israel is unpredictable. The continued spread of COVID-19 within Israel and globally could also lead to a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Resulting Issuer's business, operations or financial results; however, the impact could be material.

Regulatory Approval and Permits

Beyond Oil Israel may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where its products are processed and sold. There can be no assurance that it will be able to obtain or maintain any necessary licenses, permits or approvals. Any material delay or inability to obtain such approvals is likely to delay and/or inhibit The Resulting Issuer's ability to conduct its business, and would have an adverse effect on its business, financial condition and results of operations. In particular, Beyond Oil Israel is subject to marketing and advertising laws and regulations in each jurisdiction in which it operates or plans to distribute products. If Beyond Oil Israel violates or fails to comply with these laws, regulations or permits, the Resulting Issuer could be fined or otherwise sanctioned by regulators.

Environmental, Health and Safety Laws

Beyond Oil Israel is subject to environmental, health and safety laws and regulations in each jurisdiction in which it operates or is planning to operate. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal, and the health and safety of its employees. Beyond Oil Israel may be required to obtain environmental permits from governmental authorities for certain of its future operations. Beyond Oil Israel may not have been, nor may it be able to be at all times, in full compliance with such laws, regulations and permits. If Beyond Oil Israel violates or fails to comply with these laws, regulations or permits, the Resulting Issuer could be fined or otherwise sanctioned by regulators.

As with other companies engaged in similar activities or that own or operate real property, Beyond Oil Israel may faces inherent risks of environmental liability at its future and historical production sites. Certain environmental laws impose strict and, in certain circumstances, joint and several liability on current or previous owners or operators of real property for the cost of the investigation, removal or remediation of hazardous substances as well as liability for related damages to natural resources. In addition, The Resulting Issuer may discover new facts or conditions that may change its expectations or be faced with changes in environmental laws or their enforcement that would increase its liabilities.

The costs of complying with current and future environmental and health and safety laws, or Beyond Oil Israel's liabilities arising from past or future releases of, or exposure to, regulated materials, may have a material adverse effect on its business, financial condition and results of operations.

Success of Quality Control Systems

The quality and safety of Beyond Oil Israel's products are critical to the success of its business and operations. As such, it is imperative that Beyond Oil Israel's (and its service providers) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and non-adherence by employees to quality control guidelines. Any significant failure or deterioration of such quality control systems could have a material adverse effect on the Resulting Issuer's business and operating results.

Potential Political, Economic and Military Instability in Middle East and Israel

Beyond Oil Israel's principal corporate offices and principal research and development facilities are located in Israel. Accordingly, political, economic and military conditions in and surrounding Israel may directly affect its business. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its neighbors. Terrorist attacks and hostilities within Israel; the hostilities between Israel and Hezbollah and between Israel and Hamas; the conflict between Hamas and Fatah; as well as tensions between Israel and Iran, have also heightened these risks, including extensive hostilities in November 2012 and from July to August 2014 along Israel's border with the Gaza Strip, which resulted in missiles being fired from the Gaza Strip into Israel. There can be no assurance that attacks launched from the Gaza Strip will not reach Beyond Oil Israel's facilities, which could result in a significant disruption of Beyond Oil Israel's business. In addition, there are significant ongoing hostilities in the Middle East, particularly in Syria and Iraq, which may impact Israel in the future.

Furthermore, some neighbouring countries, as well as certain companies and organizations continue to participate in a boycott of Israeli firms and others who do business with Israel or with Israeli companies. However, generally this is not the case with the major corporations in the industry that deal with Israel.

Any hostilities involving Israel, a significant increase in terrorism or the interruption or curtailment of trade between Israel and its present trading partners, or a significant downturn in the economic or financial condition of Israel, could materially adversely affect the Resulting Issuer's operations. Ongoing and revived hostilities or other

Israeli political or economic factors could have a material adverse effect on the Resulting Issuer's business, operating results and financial condition.

The Resulting Issuer's operations could be disrupted by the absence for significant periods of one or more of its senior management, key employees or a significant number of other employees because of military service. A number of Beyond Israel’s senior management and the majority of its male employees in Israel under the age of 45 are obliged to perform military reserve duty, which accumulates annually from several days to up to two months in special cases and circumstances. The length of such reserve duty depends, among other factors, on an individual's age and prior position in the military. In addition, if a military conflict occurs, these persons could be required to serve in the military for extended periods of time. Any disruption in Beyond Oil Israel’s operations as the result of military service by key personnel could harm its business.

Recent uprisings and armed conflicts in various countries in the Middle East and North Africa are affecting the political stability of those countries. This instability may lead to deterioration of the political and trade relationships that exist between the State of Israel and these countries.

Government Regulation of the Food Service Industry

The food industry is highly regulated and is subject to changing political, legislative, regulatory, and other influences. The Resulting Issuer is subject to regulation by government agencies such as the FDA and Health Canada, which regulate various aspects of Beyond Oil Israel’s products, including food safety standards and manufacturing practices. Beyond Oil is currently considered a processing aid for regulatory purposes in Canada, the United States and European Union and as such is subject to minimal regulation. Nevertheless, the regulatory environment in which Beyond Oil Israel operates or may operate could change significantly in the future. Changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect Beyond Oil Israel’s business, financial condition or results of operations or changes to marketing and advertising strategies, any of which could adversely affect Beyond Oil Israel’s operations and financial condition. Further, if third parties involved in the supply chain of Beyond Oil Israel’s products, cannot successfully manufacture, package, label, store, advertise or distribute products that conform to the specifications of applicable regulators, Beyond Oil Israel may be subject to adverse inspectional findings or enforcement actions, which could materially impact its ability to market its products, could result in its inability to manufacture its products, or could result in a recall of its products that have already been distributed.

Insurance Coverage

Beyond Oil Israel has insurance to protect its assets, operations and employees. While Beyond Oil Israel believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Corporation is exposed. In addition, no assurance can be given that such insurance will be adequate to cover Beyond Oil Israel’s liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If Beyond Oil Israel were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if Beyond Oil Israel were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Information Security Threats

Beyond Oil Israel’s operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. Beyond Oil Israel’s operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Beyond Oil Israel’s reputation and results of operations.

Beyond Oil Israel has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that Beyond Oil Israel will not incur such losses in the future. Beyond Oil Israel's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, Beyond Oil Israel may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

PROMOTERS

Robert Kiesman is a Promoter of the Company. Mr. Kiesman currently holds 200,000 Common Shares and he will hold 0.41% of the issued and outstanding Common Shares after giving effect to the Special Warrant Offering and completion of the Proposed Transaction. For further information on the security holdings and consideration received by the Promoter see "*Directors and Officers*" and "*Executive Compensation*".

Jonathan Or is a Promoter of Beyond Oil Israel. Jonathan Or currently holds 800,819 ordinary shares in the capital of Beyond Oil Israel, being 28.5% of the issued and outstanding ordinary shares of Beyond Oil Israel and 13.1% of the issued and outstanding Common Shares after giving effect to the Special Warrant Offering and completion of the Proposed Transaction. For further information on the security holdings and consideration received by the Promoter see "*Directors and Officers*" and "*Executive Compensation*".

LEGAL PROCEEDINGS

The Company is not a party to any material legal proceedings and the Company does not know of any such proceedings that are contemplated.

Beyond Oil Israel is not a party to any material legal proceedings and Beyond Oil Israel does not know of any such proceedings that are contemplated.

REGULATORY ACTIONS

Neither the Company or Beyond Oil Israel knows of any:

(a) penalties or sanctions imposed against the Company or Beyond Oil Israel by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years preceding the date of this Prospectus;

(b) any other penalties or sanctions imposed by a court or regulatory body against the Company or Beyond Oil Israel necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(c) settlement agreements the Company or Beyond Oil Israel entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years preceding the date of this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed above under the heading "*Executive Compensation*", no Insider, director or executive officer of the Company and no associate or affiliate of any director, executive officer or Insider has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Company.

Except as disclosed above under the heading "*Executive Compensation*", no Insider, director or executive officer of Beyond Oil Israel and no associate or affiliate of any director, executive officer or Insider of Beyond Oil Israel has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect Beyond Oil Israel.

AUDITORS

The Company's independent auditor is BDO RCS Auditores Independentes SS, located Rua Major Quedinho 90, Consolação – Sao Paulo, SP, Brazil.

REGISTRAR AND TRANSFER AGENT

Endeavor Trust Corporation is the Transfer Agent and registrar for the Company's Common Shares at its office located at 777 Hornby Street, Suite 702, Vancouver, British Columbia, V6Z 1S4.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company, other than:

(a) the Seed Loan Agreement;

(b) the Stock Option Plan, as described under "*Options and Other Rights to Purchase Securities*";

(c) the Bridge Loan Agreements; and

(d) the Share Purchase Agreement.

There are no contracts of Beyond Oil Israel, other than contracts entered into in the ordinary course of business, that are material to Beyond Oil Israel, other than:

(a) the Share Purchase Agreement;

(b) the IP Assignment Agreement, as amended;

(c) the Seed Loan Agreement; and

(d) The Bridge Loan Agreement.

EXPERTS AND INTERESTS OF EXPERTS.

The independent auditor of the Company is BDO RCS Auditores Independentes SS. BDO RCS Auditores Independentes S.S. is a member of the Brazilian Institute of Independent Accountants (Instituto dos Auditores Independentes do Brasil, or IBRACON) and the Brazilian Federal Accounting Council (Conselho Federal de Contabilidade, or CFC). Neither BDO RCS Auditores Independentes SS nor any of its designated professionals, as defined pursuant to Form 51-102F2 *Annual Information Form*, hold any securities or property of either the Company or Beyond Oil Israel.

The independent auditor of Beyond Oil Israel is BDO Ziv Haft. BDO Ziv Haft is independent with respect to Beyond Oil Israel within the meaning of the ethical requirements relevant to the audit of the financial statements in Canada. Neither BDO Ziv Haft or any of its designated professionals, as defined pursuant to Form 51-102F2 *Annual Information Form*, hold any securities or property of either the Company or Beyond Oil Israel.

OTHER MATERIAL FACTS

There are no material facts relating to the Company or the Special Warrant Offering other than as disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of special warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the special warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

The Company has granted to each holder of Special Warrants a contractual right of recession of the prospectus-exempt transaction under which the Special Warrants were initially acquired. The contractual right of rescission provides that if a holder of Special Warrants who acquires Common Shares on exercise of the Special Warrants as provided for in this Prospectus is, and becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the Special Warrant Offering under which the Special Warrant was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company and on the acquisition of the Special Warrants, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and a refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.

EXHIBIT A

FINANCIAL STATEMENTS OF THE COMPANY
AND MANAGEMENT'S DISCUSSION ANALYSIS

FTC CARDS INC.

Independent auditors' report

Financial statements
As of December 31, 2020

FTC CARDS INC.

Financial statements
As of December 31, 2020

Contents

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To
The Director and Shareholders of
FTC Cards Inc.
São Paulo - SP

Opinion on the financial statements

We have audited the financial statements of **FTC Cards Inc. ("Company")**, which comprise the statement of financial position as of December 31, 2020, and 2019, and the respective statements of income (loss), comprehensive income (loss), changes in shareholder's equity and cash flows for the years then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion on the financial statements

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty as to going concern

We draw attention to the financial statements which indicates that Company's may incur losses and may not have the financial resources to sustain operations in the long-term. These events or conditions, along with other matters as set forth in Note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other issues

We have previously issued an unmodified audit report on April 30, 2021 on the complete set of financial statements, for the year ended December 31, 2020. We are replacing the previously issued audit report to include section on Key Audit Matters and Material uncertainty as to going concern.

Other information accompanying the financial statements and auditor's report

The Company's Management is responsible for the other information included in the Management Report. Our opinion on the financial statements does not include such report, and accordingly, we do not express any form of audit conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether it is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is material misstatement of this Management Report, we are required to report that fact. We have nothing to report in this regard.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our audit of financial statements of the current period. In addition to the matter described in the section "Material uncertainty as to going concern", we consider that there are no key audit matters to be reported in our report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

São Paulo, February 04, 2022

BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

Paulo Sérgio Tufani
Accountant CRC 1 SP 124504/O-9

FTC CARDS INC.

Statements of financial position
As at Dec 31 2020 and December 31, 2019 (Amended)
(In thousands of Canadian Dollars)

Assets	Note	2020	2019
Current			
Cash and cash equivalents	4	65	145
Trade accounts receivable	-	1	-
		66	**145**
Assets held for sale	5	-	190
		-	**190**
Total assets		**66**	**335**

Liabilities and shareholders' equity	Note	2020	2019
Current liabilities			
Trade accounts payable	6	21	3
Related parties	10	-	344
		21	**347**
Liabilities held for sale	5	-	484
		-	**484**
Shareholders' equity	7		
Share capital		8,305	8,305
Deficit		(8,261)	(5,679)
Capital transactions		-	(310)
Other comprehensive income		-	(2,811)
Total Shareholders' equity		**45**	**(495)**
Total liabilities and shareholders' equity		**66**	**335**

Going Concern (Note 1.3)
Subsequent Events (Note 12)

Approved on behalf of the Board of Directors on February 4, 2022:

"Robert Kiesman"
Robert Kiesman, Director

"Kyle Haddow"
Kyle Haddow, Director

The accompanying notes are an integral part of these financial statements

FTC CARDS INC.

Statement of income (loss)
As at Dec 31 2020 and December 31, 2019 (Amended)
(In thousands of Canadian Dollars)

	Note	2020	2019
Net sales	-	-	-
Cost of sales	-	-	-
Gross income		-	-
Revenues/(expenses)			
Administration	8	(144)	(67)
Others revenues	8	692	-
Financial expenses, net	-	(8)	10
		540	**(57)**
Net income (loss) before income tax		**540**	**(57)**
Income tax	-	-	-
Net income (loss) from operation		**540**	**(57)**
Discontinued operations			
(Loss)/earnings from subsidiary sold		-	(23)
Net income (loss)		**540**	**(80)**

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

FTC CARDS INC.

Statement of comprehensive income (loss)
As at Dec 31 2020 and December 31, 2019 (Amended)
(In thousands of Canadian Dollars)

	2020	2019
Net income (loss)	**540**	**(57)**
Other comprehensive income (loss)	-	-
Total comprehensive income (loss) for the period	**540**	**(57)**

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

FTC CARDS INC.

Statement of changes in shareholder's equity (Amended)
(In thousands of Canadian Dollars)

	Share capital	Shareholders transactions	Deficit	Accumulated other comprehensive income	Total Shareholders' equity
Balance, December 2018	**8,305**	**(310)**	**(5,529)**	**(2,723)**	**(257)**
Other movements	**-**	**-**	**(70)**	**-**	**(70)**
Net loss for the year	**-**	**-**	**(80)**	**-**	**(80)**
Exchange rate gains (losses) of foreign investments	**-**	**-**	**-**	**(88)**	**(88)**
Balance, December 2019	**8,305**	**(310)**	**(5,679)**	**(2,811)**	**(495)**
Net income for the year	**-**	**-**	**540**	**-**	**540**
Accomplishment with sale of investment	**-**	**310**	**(3,121)**	**2,811**	**-**
Balance, December 2020	**8,305**	**-**	**(8,260)**	**-**	**45**

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

FTC CARDS INC.

Statement of cash flows
For the years ended December 31, 2020 and 2019 (Amended)
(In thousands of Canadian Dollars)

	2020	2019
Cash flow from operating activities:		
Net income (loss) for the year	540	(57)
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on settlement of advance	(55)	-
Gain on debt settlement	(344)	-
Gain on sale of investment in FTC Brazil	(294)	-
	-	
Accounts receivable	(1)	-
Trade accounts payable	19	(9)
Cash flows provided by (used in) operating activities	**(135)**	**(66)**
Cash flows from investing activities:		
Cash flows provided by (used in) investing activities	**-**	**-**
Cash flows from financing activities:		
Loan - related parties	55	-
Cash flows provided by (used in) financing activities	**55**	**-**
(Decrease) in cash and cash equivalents	**(80)**	**(66)**
Cash and cash equivalents, beginning of year	145	211
Cash and cash equivalents, end of year	65	145
(Decrease) in cash and cash equivalents	**(80)**	**(66)**

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

1. Operations

1.1. Corporate structure

FTC Cards Inc. ("FTC Canada" and the "Company") was incorporated under the name "0934977 B.C. Ltd." under the laws of the Province of British Columbia by articles of incorporation dated March 9, 2012. On May 16, 2012, the name was changed to "FTC Cards Inc."

The Company was incorporated by CTF Technologies Inc. ("CTF") for the purposes of completing a reorganization whereby, pursuant to the terms of an Arrangement agreement between CTF, and FleetCor Technologies Inc, ("FleetCor"), FleetCor would acquire all of the shares of CTF from its existing shareholders and FTC Canada would be "spun-out" from CTF, i.e. all of the shares of FTC Canada owned by CTF would be dividended to its shareholders so that the former CTF shareholders became the new shareholders of FTC Canada. Consequently, on July 3, 2012, the completion date, FTC Canada ceased to be a wholly owned subsidiary of CTF and became a reporting issuer, although its common shares are currently not listed on any exchange for trading in Canada or elsewhere.

Also, pursuant to the terms of the Arrangement agreement, when the FTC Canada shares were issued to CTF, in return the Company acquired approximately 90.5% of the equity of FTC Cards Processamento e Serviços de Fidelização Ltda. ("FTC Brazil") from CTF and assumed the management of the business of FTC Brazil. FTC Brazil is a limited liability company limited under the laws of Brazil and was incorporated on April 7, 2011. The balance of the equity in FTC Brazil was initially held by Technis Planejamento e Gestão em Negócios Ltda. (“Technis”), a limited liability company limited under the laws of Brazil and a related party.

On October 17, 2014, at the request of the minority shareholder of FTC Brazil the 9.5 interest held by Technis was repurchased and canceled, such that FTC Brazil became a wholly-owned subsidiary of FTC Canada with effect from October 2014.

On 2017, December first the FTC Cards Processamento e Serviços de Fidelização Ltda. changed your Business name to Syspoints Serviços de Informatica Ltda. (“Syspoints” or previously “FTC Brazil”).

In November 2020, due to the inactive state of FTC Brazil, the shareholders of the Company voted to sell FTC Brazil to its major shareholder. As a consequence, these financial statements are no longer consolidated, and reflect solely the financial position and results of the parent Canadian company, FTC Cards Inc. for the year ended December 31, 2020 with comparative restated amounts for 2019.

The registered and records office of FTC Canada is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7. The head office of FTC Canada is located at 1130-1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

1.2. History of the business of the company

The Company's primary operations were in Brazil and involved service implementation, maintenance and operation of systems for the Promotion Award, Fidelity and Acquiring, leasing, subleasing and the provision of electronic terminals or other equipment to enable the capture, transmission and processing of data relating to transactions arising from the use of credit cards and/or debit cards, Direct Consumer credit - CDC, purchase, service and other means of payment, provision of service installation and maintenance of electronic terminals and of equipment for capturing, transmitting and processing data related to transactions arising from the use of payment cards, targeted at the franchise gas stations of BR Petrobras and Raízen Combustíveis S.A. ("Raizen"). Syspoints was continuing the business originally developed by CTF Technologies do Brasil Ltda., a subsidiary of CTF Technologies Inc., under an agreement entered into with BR Petrobras.

On October 15, 2018 the contract with Raizen was interrupted by Syspoints and the company didn't have any other contract.

1.3. Going concern

These financial statements are prepared under the assumption the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company may incur losses and may not have the financial resources to sustain operations in the long-term. There is no assurance that financing will be available or be available on favorable terms to fund continued operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate continued profitable operations in the future.

1.4. Sale of FTC Brazil Subsidiary

The Company closed the sale of its wholly-owned subsidiary, Syspoints Servicos de Informatica Ltda., formerly FTC Cards Processamento e Serviços de Fidelização Ltda. ("FTC Cards Brazil") pursuant to the terms of a sale agreement dated effective September 30, 2020 (the "Sale Agreement").

Pursuant to the Sale Agreement, all of the issued and outstanding capital in FTC Cards Brazil, which constituted all, or substantially all, of the assets of the Company, was sold to Arie Halpern (the "Purchaser"), a controlling shareholder of the Company, in exchange for (i) the Company being released from all obligations, and (ii) the sum of $10.00 in cash (the "Transaction"). The Transaction closed on December 30, 2020.

The Transaction was approved by the shareholders of the Company at the annual general and special meeting of the Company held on November 5, 2020 (the "Meeting"). The Transaction, which constituted a related party transaction, was subject to Multilateral Instrument 61-101 Protection of Minority Security Holders In Special Transactions, which mandated that the Transaction be subject to approval of a majority of the minority shareholders voting at the Meeting. Any shares held by the Purchaser and his associates and joint actors were excluded from the calculation of shareholder approval.

As a result of completing the Transaction, the Company no longer has active business operations or material assets other than cash. The Company has reduced its costs and staffing to a minimum sustainable level to continue operations and now intends to explore potential strategic alternatives and will update shareholders of any material developments. There can be no assurance that these efforts will result in a transaction being pursued, entered, or consummated.

At December 31, 2019, the Company reclassified the assets and liabilities of the subsidiary balance sheet to "Assets held for sale" in the amount of $190, and "Liabilities held for sale" in the amount of $483. The assets so reclassified included cash of $166 and other assets of $24.

2. Presentation of financial statements

2.1. Presentation of financial statements

a. Statement of compliance (related to the accounting practices adopted in IFRS)

These financial statements have been prepared and are presented in accordance with the "International Financial Reporting Standard – IFRS" and include the financial statements of the Company.

The financial statements were approved at the Board meeting performed in February 04, 2022.

b. Measurement basis

The preparation of the individual financial statements was based on historic cost, except for the financial instruments, which were measured at fair value.

c. Functional currency and presentation currency

These financial statements are presented in Canadian Dollars (CDN.$), which is the presentation currency of the Company. Previously, each entity of FTC Cards Inc. determined its own functional currency, and those whose functional currencies are different from the Canadian Dollar, primarily Syspoints, used the functional currency of the Brazilian Reais (R$), and the financial statements were translated at the actual exchange rates as follows.

d. Transactions and balances

Transactions in foreign currencies were recorded in the functional currency and then were converted at the end of the period to the Canadian dollar using the average rate for the period. The conversion of assets and liabilities were translated to Canadian dollars using the rate at the close of each period.

All differences were recorded in the statement of comprehensive income.

e. Critical accounting estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year.

There were no significant assumptions about the future and other sources of estimate on uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

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.

Critical judgments

The preparation of the financial statements requires us to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

The measurement of the deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities.

Provision for contingencies

According to the IFRS, the Company recognizes a provision when there is a present obligation arising from a past event, whenever a transfer of economic benefits is probable, and the transfer cost value can be reliably estimated. In the cases when the criteria are not yet complied with, a contingent liability can be disclosed in the explanatory notes to the financial statements. The obligations arising from contingent liabilities that were disclosed or that are not actually recognized or disclosed in the financial statements, could have a material effect on the balance sheet of the Company. The application of these accounting principles to litigation requires the Company's administration to make calculations. The Company revises the outstanding judicial processes, monitoring their evolution at every date the reports are prepared, in order to appraise the need for provisions and disclosure in the financial statements. Factors considered when making decisions on provisions Include: litigation nature, claim or additional tax assessment, the judicial process and the potential level of indemnity in the jurisdiction where the litigation, claim or additional tax assessment was made, the development of the process (including its progress after the financial statement date, but before they are issued), opinion from legal advisors, past experience in similar situations, and any decision of the Company about the way it will respond to the litigation, claim or additional tax assessment.

Loss on Impairment of non-financial assets

A loss due to impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. The estimated fair value less cost of sales is based on information available from the sale of similar assets or market prices less additional costs to dispose of the asset. The calculation of value in use is based on a discounted cash flow model. Cash flows are derived from the budget for the next five years and do not include restructuring activities to which the Company is not yet committed and where significant future investments will improve the asset base of a cash-generating unit.

The recoverable amount is sensitive to the discount rate used in the method of discounted cash flow, the cash receipts and expected future growth rate used for extrapolation and the principal assumptions used to determine the recoverable amount of the various cash-generating units, including sensitivity analysis.

2.2. Capital management

The Company seeks capital alternatives in order to meet its operational needs, aiming a capital structure that takes into consideration appropriate parameters for the financial costs, maturity terms of the funding and their guarantees.

The Company monitors its financial leverage level, which corresponds to net debt, including short and long-term loans, divided by the total capital. Information related to risks inherent to the Company's operation and the use of financial instruments to prevent those risks, as well as the policies and risks related to the financial instruments.

3. Significant accounting policies

The accounting policies were applied consistently to all periods presented in these financial statements, except where indicated otherwise.

a) Statement of operations and comprehensive loss, and revenue recognition

The operating result (revenues, costs and expenses) is calculated in accordance with the accrual basis of accounting. Revenue from product sales is recognized when its value can be measured reliably, all the risks and benefits are transferred to the buyer, and all terms and conditions of the sale have been satisfied.

b) Financial instruments

Assets

- **Classification**

At initial recognition, a financial asset is classified as measured at: (i) amortized cost ("CA"); (ii) fair value through other comprehensive income ("VJORA"); or (iii) fair value through income ("VJR").

A financial asset is measured at amortized cost if it meets both of the following conditions: (i) the asset is held in a business model in order to raise contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured in VJORA if it meets both conditions below: (i) the asset is held in a business model whose purpose is met by raised contractual cash flows or by the sale of financial assets; and (ii) the contractual terms of the financial asset give rise on specific dates to cash flows that represent payments of principal and interest on the outstanding principal amount.

All other financial assets are classified as measured at fair value through income.

Furthermore, upon initial recognition, the Company may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost, at VJORA or even VJR. This designation has the purpose of significantly eliminating or reducing a possible accounting mismatch arising from the result of the respective asset.

- **Recognition and measurement**

Purchases and sales of financial assets are recognized on the negotiation date. Investments are firstly recognized at fair value, plus the transaction costs for all financial assets not classified at fair value recognized in income.

Financial assets at fair value through income are initially recognized at fair value, and transaction costs are charged to the statement of income for the period in which they occurred.

The fair value of investments with public listing is based on the current purchase price. If the market for a financial asset is not active, the Company establishes the fair value through valuation techniques. These techniques include recent third-party transactions, reference to other instruments that are substantially the same, the analysis of discounted cash flows and option pricing models, favoring information generated by the market and minimizing the use of information generated by the Company's Management.

- **Impairment of financial assets – measured at amortized cost**

At each reporting period end, the Company evaluates if there is objective evidence that a financial asset or a group of financial assets is impaired.

The criteria used by the Company to determine if there is objective evidence of impairment include: (i) significant financial difficulties from the issuer or debtor; (ii) a breach of contract, such as default or late payments of interest or principal; (iii) possibility of the debtor going bankrupt or file for financial reorganization; and (iv) extinction of the active market of that financial asset due to financial problems.

- **Derecognition of financial assets**

A financial asset (or, if applicable, a part of a financial asset or part of a group of similar financial assets) is mainly written off when: (i) the rights on cash flows from assets expire; and (ii) the Company transferred its rights on cash flows from assets or assumed an obligation to fully pay received cash flows, with no significant delay, to a third party by means of a transfer agreement; and (a) the Company has substantially transferred all the risks and benefits of the asset; or (b) the Company has not substantially transferred or retained all the risks and benefits related to the asset, but it has transferred the control over such asset.

When the Company assigns its rights to receive cash flows from an asset or executes an assignment agreement not having substantially transferred or retained all the risks and benefits related to the asset, the asset will be recognized to the extent of the continuous involvement of the Company with this asset.

Liabilities

- **Recognition and measurement:**

A financial liability is classified as measured at fair value through income when it is designated as held for trading or designated as such at initial recognition. Transaction costs are recognized in income as incurred.

These financial liabilities are measured at fair value, and possible changes in fair value, including gains on interest and dividends, are recognized in income for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade accounts payable and other accounts payable, loans and financing and derivative financial instruments, plus the directly related transaction cost.

- **Subsequent measurement:**

After initial recognition, loans and financing, trade accounts payable and accounts payable are subsequently measured at amortized cost using the effective interest rate method.

- **Borrowing costs:**

Loan costs attributed to the acquisition, construction or production of an asset, necessarily requiring a significant amount of time to be ready for its intended use or sale, are capitalized as part of the cost of these assets. Loan costs refer to interest and other costs incurred by the Company that are related to the raising of funds.

- **Derecognition of financial liabilities:**

A financial liability is written-off when the obligation is revoked, cancelled or expired. When an existing financial liability is replaced by another of the same lender with significantly different terms, or when the terms of an existing liability are significantly changed, this substitution or amendment is recorded as a write-off of the original liability and recognition of a new one, and the difference in their book values is recognized in the statement of income.

c) Cash and cash equivalents

These include balances of cash, bank deposits and financial investments redeemable within up to 90 days from the investment date, recorded at cost, plus the income earned to the balance sheet date which does not exceed the market value.

The financial investments are recognized and measured at fair value and the financial income earned in these transactions is directly stated in the statement of income.

d) Trade accounts receivable

Trade accounts receivable are initially stated at present value, less allowance for doubtful accounts. The allowance for doubtful accounts is recognized when conclusive evidence shows that the Company will not be able to recover all amounts due according to the original terms of accounts receivable. In case of losses, the allowance is the difference between their book and recoverable amounts.

e) Suppliers

These amounts substantially correspond to the amounts payable for services from the preparation and dissemination of events and advertising.

f) Other assets

These amounts are presented at cost or realizable value, including, where applicable, income and changes incurred.

g) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred taxes

Deferred income tax (deferred tax) is calculated on the temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates enacted and expected to be applied when the deferred tax assets are realized or when the income tax liability is settled.

Deferred tax assets are recognized only in proportion to the expectation or likelihood that future taxable income will be available against which the temporary differences, tax losses and tax credits can be used.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities, and they are related to income taxes levied by the same taxation authority on the same taxable entity.

h) Assets and liabilities and legal obligations

Accounting practices for recording and disclosure of contingent assets and liabilities and legal obligations are as follows: (i) Contingent assets are recognized only when there are guarantees or favorable judicial decisions, final decisions. Contingent assets with probable successes are only disclosed in the notes (ii) Contingent liabilities are accrued when losses are assessed as probable and the amounts involved can be measured with sufficient reliability. Contingent liabilities assessed as possible losses are only disclosed in the notes and contingent liabilities assessed as remote losses are not provisioned, or, disclosed, and (iii) Legal obligations are recorded as required, independent assessment of the likelihood of successful process in which based on the Company challenged the constitutionality of taxes.

i) Earnings per share

Basic earnings per share are calculated by dividing the net income attributed to the Company’s shareholders by the weighted average number of outstanding common shares for the year. Diluted earnings per share is determined through the abovementioned outstanding share average, adjusted by instruments potentially convertible in shares with dilution effect for the presented years.

j) New or revised pronouncements applied for the first time in 2020

i. IFRS 16 Leases:

IFRS 16 introduced a single model for accounting of leases in the statement of financial position for lessees. A lessee recognizes a right of use asset representing its right to use the leased asset and a lease liability representing its obligation to make the lease payments. Optional exemptions are available for short-term leases and low value items. The lessor accounting remains similar to the current form, that is, lessors continue to classify leases as operating or finance.

The new standard replaces the existing lease standards, including IAS 17 Leases and IFRIC 4, SIC 15 and SIC 27 Complementary Aspects of Lease Operations.

Lessees must also remeasure lease liabilities if there are changes in the lease term or in future payments of leases, resulting from changes in indexes or rates used to determine these payments. The lessee will recognize the value of remeasurement of the lease liability as an adjustment of the right-of-use asset.

Transition to IFRS 16:

The lessee can adopt IFRS 16 full retrospective or modified retrospective approach. The Company decided to use exemptions proposed by the technical pronouncement for short-term lease agreements with 12 months or less and with low-value underlying assets.

ii) IFRIC 23 - Uncertainty over Income Tax Treatment:

The interpretation deals with the accounting of Income Taxes, when tax treatment involves uncertainty affecting the adoption of IAS 12, and does not apply to taxes or rates out of the scope of IAS 12, nor specifically includes the requirements related to interest and fines associated with uncertainties over treatment applicable to taxes.

Management evaluated the main tax treatments adopted by the Company in pending periods subject to questioning by tax authorities and concluded that there is no significant impact to be recorded in the financial statements.

(Expressed in thousands of Canadian dollars)

k) New standards, revisions and interpretations issued not yet in effect as at December 31, 2020

Certain new standards and amendments to standards will be effective for annual periods beginning after January 01, 2020. Early adoption is permitted; however, the Company did not early adopt the following standards or amendments to standards in the preparation of these financial statements:

- Amendments to the references to conceptual framework of IFRS standards;
- Definition of a business (amendments to IFRS 3);
- Definition of materiality (amendments to IAS 1 and IAS 8);
- IFRS 17 Insurance Contracts.

The amended standards and interpretations should not significantly affect the financial statements.

4. Cash and cash equivalents

	2020	2019
Cash and balances in bank current accounts	65	-
Other investments **(*)**		145
	65	**145**

(*) Financial investments are considered to be cash equivalents because they can be redeemed at any time, with no impact on interest accrued. Their carrying amount approximates fair value.

5. Subsidiary – Assets held for sale

Assets	2020	2019
Cash and cash equivalents	-	166
Accounts receivable	-	12
Advances and others	-	3
Property and equipment	-	7
Intangible assets	-	2
	-	**190**

Liabilities	2020	2019
Accounts payable	-	413
Brazilian taxes payable	-	3
Brazilian taxes in installments - long term	-	68
	-	**484**

* Details on note 1.4.

(Expressed in thousands of Canadian dollars)

Statement of Income

	Consolidated FTC	FTC Canada	FTC Brasil
	December 31 2019	December 31 2019	December 31 2019
Net sales	6	-	6
Cost of sales	(5)	-	(5)
Gross income	**1**	**-**	**1**
Other revenues/expenses			
Administration	(286)	(57)	(229)
Other expenses	193	-	193
Financial expenses, net	12	-	12
	(81)	**(57)**	**(24)**
Net income before income tax and social contribution	(80)	(57)	(23)
Income tax - current			
Income tax - deferred			
Net income	**(80)**	**(57)**	**(23)**

Statement of cash flows

31, December 2019

Cash flows from the subsidiary operations	Consolidated FTC	FTC Canada	FTC Brasil
Net income for the period	**(80)**	**(57)**	**(23)**
Adjustments to reconcile net income to net cash provided from operations activities			
Amortization and depreciation	23	-	23
Impairment loss	16	-	16
Exchange rate gains/(losses)	(11)	-	(11)
Deferred income tax and social contributions	(70)	-	(70)
Other movements			
Accounts receivable	355	(9)	364
Other current assets	5	-	5
Deposit of rent	17	-	17
Trade accounts payable	(660)		(660)
Tax payable and deferred tax	(7)	-	(7)
Other liabilities	(11)	-	(11)
Cash flows provided by (used in) operating activities	**(423)**	**(66)**	**(357)**
Cash flows provided by (used in) financing activities			
Loan - related parties	**129**	-	**129**
Effect of changes in cumulative translation adjustments	**(88)**	-	(88)
Decrease in cash and cash equivalents	**(382)**	**(66)**	**(316)**
Cash and cash equivalents, beginning of period	693	211	482
Cash and cash equivalents, end of period	311	145	166
Decrease in cash and cash equivalents	**(382)**	**(66)**	**(316)**

(Expressed in thousands of Canadian dollars)

6. Trade accounts payable

	2020	2019
Lawyers to pay	21	3
	21	**3**

7. Shareholders' equity

Authorized

Unlimited number of common shares without par value

Issued

The capital was subscribed and paid in the amount of $1 on March 9, 2012, consisting of 1 common share with no par value. On July 3, 2012 pursuant to the terms of the Arrangement Agreement, (note 1.3) the Company acquired all of the shares of Syspoint ("previously FTC Brazil") from its former parent, CTF Technologies Inc., in exchange for 58,329,201 common shares, and these shares were in turn dividended by CTF to its shareholders, at which time the Company became a reporting issuer in the Province of British Columbia.

There were no warrants or options issued during the period and there were no warrants or options outstanding on December 31, 2020 and December 31, 2019.

Earnings per share

Basic and diluted earnings

Basic earnings per share is calculated by dividing the earnings attributable to the Company's shareholders by the weighted average number of common shares issued during the year, excluding the common shares purchased by the Company and held as treasury shares.

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, assuming the conversion of all possible common shares that would cause the dilution. The Company doesn't have a class of possible common shares that would cause dilution.

Basic and diluted	2020	2019
Net income attributable to the Company´s shareholders	540	(150)
Weighted average number of common shares issued	58,329,201	58,329,201
Basic income (loss) per share	**$0.01**	**($0.00)**

8. Other operating result

	2020	2019
Professional services expenses	(144)	(67)
Gain on settlement of advance	55	-
Gain on debt settlement	344	-
Gain on sale of subsidiary	293	-
	548	**(67)**

9. Financial instruments

Identifying and valuing financial instruments

The Company holds various financial instruments, particularly cash and cash equivalents, including financial investments, trade receivables and trade payables.

Considering the nature of financial instruments, the fair value is basically calculated by applying the discounted cash flow method. The amounts recorded in current assets and current liabilities have immediate liquidity or maturity, mostly with terms less than three months. Considering the term and features of these financial instruments, which are systematically renegotiated, book values approximate their fair values.

Credit risk

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of accounts receivable.

Foreign exchange risk

The Company’s primary operation were in Brazil. A significant portion of the Company’s operational transactions were originally or effectively denominated in Reais, the local currency. Accordingly, the carrying values of the Company’s assets and liabilities and the results of its operations and comprehensive income as stated in Canadian dollars were impacted by exchange rate fluctuations. The Company did not enter into foreign exchange contracts to hedge this risk. Presently, the Company has no similar foreign exchange risk.

Liquidity risk

Liquidity risk is the risk of the Company not having sufficient liquid funds to fulfill its financial obligations due to a mismatch between expected receipts and payments in terms of maturity and volume.

(Expressed in thousands of Canadian dollars)

To manage cash liquidity in domestic and foreign currency, assumptions are made about future disbursements and receipts and monitored daily by the management.

Concentrations of credit risk

The Company has summarized credit risk as below:

Financial instruments by category

Financial assets	Category		2020	2019
Cash and equivalents	Amortized cost	CND$	65	145
Accounts receivable	Amortized cost	CND$	1	-
Related parties	Amortized cost	CND$	-	344
Accounts payable	Amortized cost	CND$	21	3

10. Related-party transactions

Intercompany transactions basically refer to the services directly related to the Company's operating activities and are conducted in conditions similar to those stipulated in the market, whose realization deadlines of operations are within 30-180 days. This is the same deadline for commercial transactions with non-related parties. These transactions do not have special terms and conditions, fees or guarantees given or received, nor are there risks of doubtful accounts.

The concept of "related parties" was established by the IAS 24. Under this standard, it is understood that parties are related if one party is related to the entity: (a) directly or indirectly through one or more intermediaries, where the party: (i) controls, is controlled by, or is under common control of the entity, (ii) has an interest in the entity that gives it significant influence over the entity, or (iii) has joint control over the entity, (b) if the party is affiliated entity, (c) if party is a joint venture (joint venture) in which the entity is an investor, (d) if the party is a member of key management personnel of the entity or its parent, (e) if the party is a close family member or any person referred to in subparagraphs (a) or (d), (f) if the controlled entity, jointly controlled or significantly influenced by, or in which significant voting power in such entity resides with, directly or indirectly, any person referred to in (d) or (e) or (g) if the benefit plan for post-employment benefit of employees of the entity, or any entities related party of the Company

The Company considered as "key Management Personnel", the members of its executive board, composed of the chairman and financial director, and members of the board.

(Expressed in thousands of Canadian dollars)

	2020	2019
Loans	-	129
Other Liabilities	-	215
	-	344

Loans

Loan in amount of CND$ 129, was received from Arie Halpern that is a partner of FTC Inc. The interest is 0,5% a year and the maturity is on 36 months.

Other
This amount is a accounts payable to a related part for a long time, of Company Corsa. (related parties)

Management compensation

The Company paid to its managers, through salary and variable remuneration, CND$ NIL in 2020 and paid CND$ 30 in 2019.

11. Provision for contingencies

In the ordinary course of conducting its business, the Company is involved in labor, civil, tax, social security, and environmental proceedings. Management, relying on its legal counsel's opinion or that of other specialists, when applicable, evaluates the possible outcome of ongoing lawsuits, and the need for setting up provisions for contingencies arising from them. As at December 31, 2020, the Company had no contingencies requiring provision or disclosure in the financial statements.

12. Subsequent events

12.1. Share consolidation

On May 21, 2021, FTC completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares.

12.2. Proposed transaction with Beyond Oil Ltd. and loans receivable

On May 7, 2021, FTC entered into a non-binding letter of intent with Beyond Oil Ltd. ("Beyond Oil") to acquire, through a series of steps, all of the issued and outstanding securities of Beyond Oil. Beyond Oil is a developer and manufacturer of an innovative proprietary and patented formulation which eliminates the free fatty acids from cooking oil while preserving the oil's quality and nutritional values.

FTC entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") among FTC, Beyond Oil, and the shareholders of Beyond Oil (the “Shareholders”). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of Beyond Oil, in exchange for securities of FTC, constituting a reverse takeover (together with the related transactions and corporate procedures set forth in the SPA, the “Transaction”).

In connection with the completion of the Transaction, FTC will apply to list on the Canadian Securities Exchange (the “CSE”). The listing will be subject to the approval of the CSE.

Transaction Terms

Pursuant to the terms of the SPA, and subject to certain conditions, including receipt of applicable regulatory and shareholder approvals, at the closing of the Transaction (the “Closing”), FTC will acquire all the issued and outstanding securities of Beyond Oil. At the Closing, Beyond Oil will become a wholly-owned subsidiary of FTC (after the Closing, the “Resulting Issuer”).

At the Closing, the shareholders of Beyond Oil will be issued: (a) such number of common shares of FTC (after the Closing, “Resulting Issuer Shares”) that equals 50% plus 1 share of the total number of issued and outstanding Resulting Issuer Shares after giving effect to the Transaction (the “Vend-in Shares”); and (b) such number of warrants of the Resulting Issuer that equals 50% plus 1 share of the total number of issued and outstanding warrants of the Resulting Issuer outstanding after giving effect to the Transaction (the “Consideration Warrants”). Each Consideration Warrant will be exercisable for one Resulting Issuer Share at an exercise price of $1.18 per share for a period of 12 months from the date of Closing (“Closing Date”).

In addition, the selling shareholders will be entitled to, in the aggregate, that number of Resulting Issuer Shares as is equal to 10% of the issued and outstanding Resulting Issuer Shares as at the Closing (for a total of 40%), upon satisfaction of each of the following:

a) the Resulting Issuer obtaining orders for at least US$3 million from customers within 12 months of the Closing;
b) the Resulting Issuer achieving US$6 million in cumulative sales within 18 months of the Closing;
c) the Resulting Issuer achieving US$13 million in cumulative sales within 30 months of the Closing;
d) the Resulting Issuer reaching positive EBITDA by the end of its fiscal year ended December 31, 2023

If the Resulting Issuer signs a definitive agreement with a major industry partner or oil producer on or before December 31, 2023 that results in the Resulting Issuer receiving US$10 million in revenues over a 24 month period, such milestone may be used as a replacement for any one milestone in (a), (b), (c) or (d) above. The Resulting Issuer Shares issuable upon satisfaction of one or more of such milestones, the “Deferred Payment Shares”. The Deferred Payment Shares will be issued upon the exercise of contingent value rights (the “Contingent Rights”) issued at Closing and qualified by the Prospectus (as defined below).

In addition, all 120,922 existing stock options of Beyond Oil will be exchanged for that same number of options of the Resulting Issuer on economically equivalent terms (the “Replacement Options”) and all outstanding common share purchase warrants of Beyond Oil will be cancelled at Closing.

The SPA provides that no party will solicit or negotiate with any other entities with respect to a transaction similar to the Transaction.

In addition to any legends required pursuant to applicable securities laws, all of the Vend-in Shares will be subject to a 36-month staged escrow, and 2,565,536 Vend-In Shares will be subject to a 24 month hold period pursuant to Israeli tax laws.

The completion of the Transaction is subject to the satisfaction of certain conditions, including but not limited to: (a) closing of the Concurrent Financing (as defined below); (b) the Resulting Issuer having cash of at least US$3.5 million (less the amount of the Seed Loan and Bridge Loan, if any) and no liabilities other than Beyond Oil’s Transaction expenses; (c) the absence of any material adverse change in the business of either Beyond Oil or FTC; (d) no proceeding or law being enacted or commenced that frustrates the consummation of the Transaction; (f) receipt of a pre-tax ruling from the Israeli Tax Authority; (g) the amendment of certain agreements to which Beyond Oil is a party; (h) approval of the shareholders of FTC to certain amendments to the articles of FTC and election of the Beyond Oil nominees to the board of directors of the Resulting Issuer (the “Resulting Issuer Board”); and (i) the receipt of all requisite regulatory, stock exchange or governmental authorizations and consents, including the approval of the CSE and receipt from the BC Securities Commission in respect of a prospectus qualifying the distribution of the Units pursuant to the Concurrent Financing, the Vend-In shares, the Consideration Warrants and the Contingent Rights (the “Prospectus”). Accordingly, there can be no assurance that the Transaction will be completed on the terms proposed above, or at all.

If Beyond Oil terminates the SPA for any reason other than as provided in the SPA or FTC terminates the SPA: (a) due to a material breach by Beyond Oil of any representation, warranty or covenant which Beyond Oil has failed to cure within ten business days; or (b) as a result of Beyond Oil completing an alternative transaction, Beyond Oil will pay FTC a termination fee of $150,000 within 5 business days of such termination and repay the Seed Loan and Bridge Loan (as defined below), in accordance with the terms thereof. Finally, If Beyond Oil terminates the SPA due to a material breach by FTC of any representation, warranty or covenant which FTC has failed to cure within ten business days, FTC shall reimburse Beyond Oil its Transaction related expenses.

The SPA also contains customary representations and warranties and indemnities for breaches of representations and warrants, pre-closing tax losses and breaches of covenants in the SPA. Fifty percent of the unissued Contingent Rights will effectively be granted as security for the indemnification obligations of the shareholders and may be cancelled if, and to the extent, of an indemnification obligation.

Seed Financing & Seed Loan

As disclosed in FTC's news release dated June 22, 2021, FTC completed a seed financing comprised of 12,000,000 FTC Shares at a price of $0.05 per share for gross proceeds of $600,000 (the "Seed Financing"). All of the FTC Shares issued pursuant to the Seed Financing remain subject to a statutory hold period ending on October 23, 2021. In addition, if the Transaction completes, all of the 6,750,000 Resulting Issuer Shares issued in the Seed Financing to certain advisors of FTC will be subject to a contractual hold period whereby: (a) 25% of such FTC Shares will be free trading on the listing date of the Resulting Issuer ("Listing Date"); and (b) 25% of such FTC Shares will be free trading at each of the dates that are 6, 12 and 18 months from the Listing Date. All of the other 5,250,000 FTC Shares issued in the Seed Financing will be deposited into escrow upon closing of the Transaction, as required by the policies of the CSE and applicable securities laws.

Net proceeds from the Seed Financing were used by FTC for expenses related to the Transaction, for general working capital and for an unsecured loan to Beyond Oil (the "Seed Loan").

On July 7, 2021, loaned US$50,000 ($63,760) to Beyond Oil, being the first tranche of the Seed Loan. On October 1, 2021, loaned US$105,000 ($134,850) to Beyond Oil, being the second tranche of the Seed Loan. Proceeds from the Seed Loan were used by Beyond Oil to begin implementing Beyond Oil's business plan, for expenses related to the Transaction and for general working capital.

Bridge Financing & Bridge Loan

Pursuant to the SPA, FTC undertook a bridge financing comprised of 2,500,000 FTC Shares at a price of $0.50 per share, for gross proceeds of approximately $1,250,000 (the “Bridge Financing”). All of the FTC Shares issued pursuant to the Bridge Financing will be subject to a statutory hold period ending four months plus one day after closing of the Bridge Financing. FTC may pay a finder’s fee equal to 7% in cash to certain finders from proceeds in the Bridge Financing.

It is expected that net proceeds from the Bridge Financing will be used by FTC for expenses related to the Transaction, for general working capital and for a secured loan to Beyond Oil (the “Bridge Loan”).

On November 17, 2021, FTC loaned $450,000 ($571,860) to Beyond Oil, being the first tranche of the Bridge Loan. On December 22, 2021, FTC loaned US$175,000 ($228,598) to Beyond Oil, being the second tranche of the Bridge Loan. On January 21, 2022, FTC loaned US$125,000 ($159,072) to Beyond Oil, being the third tranche of the Bridge Loan. It is expected that proceeds from the Bridge Loan will be used by Beyond Oil to begin implementing Beyond Oil’s business plan, for expenses related to the Transaction and for general working capital.

Concurrent Financing

As a condition to closing of the Transaction, FTC intends to complete a concurrent private placement (the "Concurrent Financing") of non-transferable special warrants (“Special Warrants”) for aggregate proceeds of approximately $3,500,000.

It is expected that each Special Warrant will have an issue price of $0.75 per Special Warrant, or such other price as determined by the board of directors (the “FTC Board”) of FTC (the “Special Warrant Issue Price”). Each Special Warrant will automatically convert, without the payment of any additional consideration (other than the proceeds paid by FTC in accordance with the Concurrent Financing), into one unit (“Unit”), on the date that is the earlier of: (a) the third business day after receipt of the Prospectus; and (b) 4 months and a day after the issue date of the Special Warrants.

Each Unit will be comprised of one FTC Share and one half of one warrant (the “Concurrent Warrants”), each whole Concurrent Warrant being exercisable for one Resulting Issuer Share at an exercise price of $1.25 per share for a period of 12 months after the Closing Date.

It is intended that the net proceeds from the Concurrent Financing will be used to complete the Transaction, to continue to implement Beyond Oil's business plan, including sales & marketing, product development, and for general working capital.

Subject to the approval of the Exchange, the Resulting Issuer has agreed to pay to Pinhas Or, the founder of Beyond Oil, the sum of US$500,000 upon the Resulting Issuer receiving at least $2,500,000 pursuant to the exercise of Concurrent Warrants and Consideration Warrants.

The SPA provides that the Resulting Issuer may pay finders' fees to certain finders in the amount of 7.5% of gross proceeds in cash and the issuance to certain finders of the number of finder's warrants ("Finders' Warrants") equal to 7.5% of the number of securities sold in the Concurrent Financing, where each Finders' Warrant will be exercisable to purchase one Resulting Issuer Share at the Special Warrant Issue Price for a period of one year after the Closing.

Finders' Fee Shares

The SPA provides that the Resulting Issuer will issue such number of Resulting Issuer Shares as are equal to an aggregate of 7% of the number of Vend-in Shares (the "Finders' Fee Shares") being issued in connection with the Transaction to certain finders. It is expected that the distribution of the Finders' Fee Shares will be qualified by the Prospectus.

Resulting Issuer

On closing of the Transaction, FTC will change its name to "Beyond Oil Ltd." and will carry on the business conducted by Beyond Oil, and the Resulting Issuer Shares will be listed under a new trading symbol.

12.3. Private placements

On June 22, 2021, FTC closed a non-brokered private placement of 12,000,000 (post-consolidation) common shares, at a price of $0.05 per share, for gross proceeds of $600,000. FTC incurred cash share issuance costs of $965.

On November 5, 2021, FTC closed the first tranche of a non-brokered private placement of 1,528,000 (post-consolidation) common shares, at a price of $0.50 per share, for gross proceeds of $764,000.

On November 26, 2021, FTC closed the second tranche of a non-brokered private placement of 972,000 (post-consolidation) common shares, at a price of $0.50 per share, for gross proceeds of $486,000.

On February 4, 2022, FTC closed the first tranche of the Concurrent Financing, a non-brokered private placement of 2,124,666 Special Warrants, at a price of $0.75 per Special Warrant, for gross proceeds of $1,593,500. FTC incurred an aggregate of $81,619 in cash commissions to certain finders and issued such finders an aggregate of 108,825 share purchase warrants. Each finder's warrant will be exercisable for one common share at an exercise price of $1.25 for a period of 12 months after the date of issuance.

12.4. Stock option plan and grant of stock options

On September 26, 2021, FTC adopted a stock option plan (the "Stock Option Plan"). The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of FTC issued and outstanding from time to time. The Stock Option Plan is administered by the Board of Directors of FTC, which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such service providers of FTC and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the closing market price of Common Shares on: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession

On November 8, 2021, FTC granted 975,000 stock options to certain directors, officers and consultants. The options have an exercise price of $0.50 per share and an expiry date of November 8, 2031. All of the options vested immediately.

FTC CARDS INC.
REPORT TO SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVES FOR THE YEAR ENDED DECEMBER 31, 2019
(Expressed in Canadian dollars)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVES FOR THE YEAR ENDED DECEMBER 31, 2019.

(Dated: April 30, 2021)

Management's Responsibility for Financial Reporting

These annual audited consolidated financial statements have been prepared by management using Brazilian accounting policies which are essentially identical to "International Financial Reporting Standards – IFRS". The information contained in this document has also been prepared by management and is consistent with the data contained in the annual audited consolidated financial statements.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings.

The Board of Directors approves the financial statements and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports prior to filing.

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.

In particular, forward looking comments regarding the Company's status and viability included in the "Liquidity" section are views of management only, and actual results and outcomes could be materially different from management's estimates and expectations. The reader is advised to review risks and exposures related to the Company's operations and reporting, detailed in the sections entitled, "Financial and Capital Risk Management", all of which affect management's views and expectations.

Corporate Structure

FTC Cards Inc. ("FTC Canada" and the "Company") was incorporated under the name "0934977 B.C. Ltd." under the laws of the Province of British Columbia by articles of incorporation dated March 9, 2012. On May 16, 2012, the name was changed to "FTC Cards Inc."

The Company was not initially a reporting issuer (or the equivalent) in any jurisdiction and the common shares of FTC Canada are not listed or quoted for trading on any stock exchange. Following the completion of the Arrangement agreement on July 3, 2012, the Company became a reporting issuer in British Columbia.

The Company was incorporated for the purposes of completing the reorganization whereby pursuant to the terms of the Arrangement agreement between its parent CTF Technologies Inc., ("CTF"), and the purchaser, on July 3, 2012, the Company ceased to be a wholly-owned subsidiary of CTF and all of the issued and outstanding FTC Canada shares were distributed to the former CTF Shareholders.

Following the completion of the Arrangement agreement, FTC Canada owned approximately 90.5% of the equity of FTC Cards Processamento e Serviços de Fidelização Ltda. ("FTC Brazil") and assumed the management of the business of FTC Brazil. FTC Brazil is a limited liability company (*sociedade limitada*) under the laws of Brazil and was incorporated on April 7, 2011. The balance of the equity in FTC Brazil was held by Technis Planejamento e Gestão em Negócios Ltda. ("Technis"), a limited liability company (*sociedade limitada*) under the laws of Brazil and an unrelated party. On October 17, 2014, with effect from September 30, 2014, at the request of the minority shareholder of FTC Brazil, the 9.5% minority interest represented by 1,750,000 quotas of FTC Brazil owned by the minority shareholder were repurchased and cancelled. As a consequence, FTC Brazil became a wholly-owned subsidiary of FTC Canada on that date.

On December 1, 2017, FTC Brazil officially changed its name to "Syspoints Servicos de Informatica Ltda." ("Syspoints"), to better reflect the nature of its ongoing business services.

In November, 2020, due to the inactive state of FTC Brazil, the shareholders of the Company voted to sell FTC Brazil to its major shareholder. As a consequence, these financial statements are no longer consolidated, and reflect solely the financial position and results of the parent Canadian company, FTC Cards Inc., for the year ended December 31, 2020 with comparative restated amounts for 2019.

The registered and records office of FTC Canada. is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7. The head office of FTC Canada is located at 1130-1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

History of the business of the Company

FTC Brasil was formed in 2011 for the purposes of developing a business of providing data processing to support a program of promotions, awards and loyalty programs, and for credit card processing as an "Acquirer" targeted at the franchise gas stations of Petrobras Distribuidora S.A. ("**Petrobras**"). FTC Brazil was continuing the business originally developed by CTF Technologies do Brasil Ltda., a subsidiary of CTF Technologies Inc., under an agreement entered into with Petrobras.

As an Acquirer, the Company received a portion, determined by contract, of the commission revenues arising from the application of the Merchant Discount Rate, ("MDR") to all credit and debit card transactions processed for fuel and other purchases at designated Petrobras outlets. Revenues were also received from the monthly rental, installation and maintenance of card processing equipment provided to merchants.

In addition, the Company had developed and continued to develop an expanded set of loyalty programs to promote customer brand loyalty for Petrobras and other clients, from which it would earn fees on a monthly basis.

The Company's costs of operations included staff and other costs for datacentre processing, communications, call centre operation, and website support for both clients and registered loyalty program users, and other costs included sales and marketing, administration and other corporate costs.

Renewal of Agreement with BR Petrobras:

The Agreement "Instrument for Implementation of BR System of Promotion, Rewards, Loyalty and Acquisition" was signed with BR Distribuidora in January, 2011 with a term of 60 months and expired in January, 2016. In the fourth quarter of 2015, BR agreed to extend the agreement for an additional one year, recognizing its reliance on the services provided by the Company, on the basis of the existing operations and the same commercial terms.

FTC Brazil had implemented very successfully the acquiring system ("BR Network") and the Rewards and Loyalty systems, ("Premmia"), and management believed that BR would intend to maintain the program structure developed by FTC with a few enhancements. FTC continued to work on the integration of a technical platform and providing services for loyalty, promotion and incentive campaigns, contemplating a client relationship management program, in order to enable BR to effectively manage all channels of communication and interaction with the existing eight million current participants._Due to these proprietary tools, and the software development and integration achieved, management believed that the renewal of the relationship would occur, but there was no guarantee that this would occur.

Notice of Cancellation of BR agreement:

However, early in the fourth quarter of 2016, the Company received notice of termination of the agreement from BR effective January 3, 2017. The consequence of this termination was the loss of all future revenues that would arise through both the credit card processing for BR customer purchases and the revenues generated from the redemption of loyalty points accumulated by the customers.

The Company generated minor revenues from other clients which utilize the FTC processing facilities, but termination of the BR contract served to reduce revenues to a very low level, commencing January 3, 2017. In response to this cancellation, the Company identified new potential clients in need of loyalty program services, and the management immediately pursued these potential opportunities vigorously.

In December, 2016, management took steps to reduce costs, reducing its office space obligations and reducing its staffing by approximately half to a sustainable level to continue operations to its remaining clients. Management successfully entered into discussions and concluded an initial contract with a potential new client in 2017 and was hopeful that ongoing new business would be generated from this new work.

In May, 2017, the Company decided that the current reduced level of revenues warranted further reductions in costs and a number of staff were released with the objective of matching operating costs to the expected level of revenues for the next several months, but later in the year, it became evident to management that it could not generate sufficient revenues to match the level of operating costs still, and it was decided that further staff reductions and cost savings were required, and these actions were taken at that time.

Early in 2018, management assessed the potential of generating sufficient revenues from its new business client, and determined that the potential revenues would not be sufficient to sustain the limited core costs of operations of the reduced business and decided that the business of Syspoints was no longer viable. Management terminated the remaining staff, the office lease commitments and all other obligations, except for retaining the CEO and CFO on a contract basis to manage the inactive company going forward.

While management has acted to reduce day-to-day operating costs while maintaining key staff to support its present reporting needs, management recognizes that additional funds are required for the continued operation of the Company. During 2019, the Company received advances from its majority shareholder in the amount of CDN$136,410 (US$100,000) to sustain the Company and the arbitration proceedings, but at June 30, 2020, the Company had indebtedness of CDN$136,410 to the majority shareholder and FTC Brazil had additional indebtedness of approximately CDN$367,000 owing to creditors.

Sale of FTC Brazil

From the history above, the steady decline in the Company's fortunes is apparent. Management assessed that the Company is able to continue only with the sole support from cash advances by its majority shareholder to meet its statutory obligations and to fund the arbitration proceedings in Brazil. While the Company had modest success on a legal basis with its claim, it is uncertain that it will ever realize a net benefit in Brazil, since more recent estimates of the value of the benefit are far less than the Company originally estimated and any outcome could be contested, further delaying receipt of settlement funds indefinitely. Such funds would then be subject to taxation in Brazil, reducing the value of the benefit. The uncertainty of the amount of an award and of the timing of receipt of such award currently prevents the Company from moving forward in any way. Given the consolidated indebtedness of the Company and its subsidiary of approximately CDN$500,000, its continuing reliance on the funding of its ongoing operations by the majority shareholder and the low probability of any near-term recovery from its arbitration action to lessen its current deficiency, the Company decided it would be most beneficial to the Company's shareholders if the Company were to isolate itself from this Brazilian connection. Disposing of the Brazilian subsidiary would enable it to seek out a new business opportunity and, potentially, allow it to be reactivated and apply to resume trading on an exchange.

Sale Agreement

On September 30, 2020, the Company entered into a definitive sale agreement (the "Sale Agreement") with Arie Halpern (the "Purchaser"), a controlling shareholder of the Company. Under the terms of the Sale Agreement, the Company will sell to the Purchaser 100% of the issued and outstanding capital of FTC Brazil (the "FTC Brazil Equity Interests"), which sale will constitute the sale of all, or substantially all, of the assets of the Company.

Prior to the completion of the sale, the Purchaser had advanced certain funding to the Company (the "Advanced Funds") in order to advance the business operations of the Company and FTC Brazil. Pursuant to the Sale Agreement, in exchange for the FTC Brazil Equity Interests, the Purchaser would pay to the Company a nominal sum of $10.00 and release the Company from all obligations the Company has in respect of the Advanced Funds. The sale of FTC Brazil would also effectively release the Company from the current obligations of FTC Brazil and further remove any potential liability which may arise from the FTC Brazil's operations. A copy of the Sale Agreement is available on the Company's SEDAR profile at www.sedar.com.

Going Concern

These annual audited financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Should the Company be unable to continue as a going concern, the basis of reporting the carrying values of assets may be adjusted.

As a going concern, the Company is dependent upon its ability to sustain future profitable operations and to maintain access to financing to meet its obligations and repay its liabilities arising from normal business operations as they come due. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

Presently, following the completion of the sale transaction, management believes that the Company has sufficient funds available to sustain its minimal sustaining costs in 2021.

<u>Results of Operations for the Three Months Ended December 31, 2020 and December 31, 2019:</u>

Revenues for the fourth quarter ended December 31, 2020 were $nil, comparable to that earned in 2019 of $nil. The costs of operations and other costs, primarily for administration in support of the continuation of the operations and the sale transaction, amounted to $33,080 for the current quarter as compared to the significantly lower costs incurred in the prior comparable quarter of $2,265. The higher operating costs in the current quarter reflect the minimal activity and the legal and other costs associated with the sale transaction. However, as a result of the sale and the releases provided on indebtedness in conjunction with the sale, the Company realized gains of $54,744 and $343,940 related to the forgiveness and an accounting gain of $293,287 from the actual sale transaction.

As a consequence, a net gain of $658,891 was realized for the fourth quarter of 2020 or $0.01 per share, as compared to the loss of ($2,265) or ($0.00) per share experienced for the comparable quarter in 2019.

<u>Results of Operations for the Years ended December 31, 2020 and December 31, 2019:</u>

Revenues for the year were $nil, which is slightly lower than the prior year level of $342, when funds were held on which interest income was earned.

The costs of operations and other costs, primarily administration, amounted to $144,078 in 2020, which is significantly higher than those incurred in the prior year of $56,841. The increase reflects the costs associated with the sale transaction incurred in the fourth quarter. As noted above, as a result of the sale and the releases provided on indebtedness in conjunction with the sale, the Company realized gains of $54,744 and $343,940 related to the forgiveness and an accounting gain of $293,287 from the actual sale transaction.

(Expressed in Canadian dollars)

In summary, a net gain for 2020 of $539,682 or $0.01 per share resulted, as compared to a loss in 2019 of ($56,841) or ($0.00) per share.

Selected Annual Financial Information:

	For the year ended December 31, 2020 **$**	**For the year ended December 31, 2019** **$**	**For the year ended December 31, 2018** **$**
Total revenues	Nil	$6,000	339,000
Earnings (Loss) before discontinued operations and extraordinary items:			
(i) total for the year	540,000	(80,000)	(2,537,000)
(ii) per share	0.01	(0.00)	(0.04)
(iii) per share fully diluted	0.01	(0.00)	(0.04)
Net Earnings (Loss):			
(i) total for the year	540,000	(80,000)	(2,537,000)
(ii) per share	0.01	(0.00)	(0.04)
(iii) per share fully diluted	0.01	(0.00)	(0.04)
Total assets	66,000	8,069,000	1,122,000
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per-share	Nil	Nil	Nil

Selected Quarterly Financial Information:

	4th Quarter Ended December 31, 2020 $	3rd Quarter Ended September 30, 2020 $	2nd Quarter Ended June 30, 2020 $	1st Quarter Ended March 31, 2020 $
(a) Revenue	NIL	NIL	NIL	NIL
(b) Profit (Loss) for period	668,000	8,000	(1,000)	(135,000)
(c) Profit (Loss) per share	0.01	0.00	(0.00)	(0.00)
	4th Quarter Ended December 31, 2019 $	3rd Quarter Ended September 30, 2019 $	2nd Quarter Ended June 30, 2019 $	1st Quarter Ended March 31, 2019 $
(a) Revenue	NIL	6,000	NIL	NIL
(b) Profit (Loss) for period	489,000	(67,000)	(310,000)	(192,000)
(c) Profit (Loss) per Share	(0.00)	(0.00)	(0.00)	(0.00)

(Expressed in Canadian dollars)

	4th Quarter Ended December 31, 2018 $	3rd Quarter Ended September 30, 2018 $	2nd Quarter Ended June 30, 2018 $	1st Quarter Ended March 31, 2018 $
(a) Revenue	33,000	84,000	89,000	131,000
(b) Profit (Loss) for period	(983,000)	(201,000)	(636,000)	(717,000)
(c) Profit (Loss) per share	(0.02)	(0.00)	(0.01)	(0.01)

All of the financial information reported in the table above is in accordance with IFRS reporting standards.

The Company continued with minimal administrative costs of $33,000 and a declining working capital position while it identified new opportunities to sustain its operations into the future. However, in the quarter, the Company received shareholder approval to sell its wholly-owed Brazilian subsidiary to its major shareholder and realized a gain arising from releases of indebtedness, which resulted in a profit for the fourth quarter of $668,000 or $0.01 per share.

The Company continued with minimal administrative costs of $74,458 and a declining working capital position while it identified new opportunities to sustain its operations into the future. The loss for the third quarter amounted to $67,660 or ($0.00) per share.

In the second quarter, the Company incurred costs to sustain itself pending resolution of the arbitration proceedings, incurring a loss of ($118,842) or ($0.00) per share.

For the first quarter of 2019, no revenues were generated and consolidated costs incurred of sustaining the corporate entity were $191,529 or $0.00 per share. No operations are planned at present.

Revenues for the fourth quarter fell to $33,000 derived solely from the card processing in the period as all other contract work was cancelled. Operating costs were lower at $64,000 as were other costs of $889,000, with the result that a loss amounting to $983,000 was expereienced.

Revenues for the third quarter were consistent with prior quarters and the comparable period in 2017, reflecting the reduced service level of its continuing contracts. Costs were reduced from the prior year level further, but continuing losses result each quarter. Other costs have been reduced as well, but overall net losses prevail.

Revenues for the second quarter were still lower than in the first quarter, due to the declining volume of contractual work generated. Costs are being reduced to the extent possible including a further reduction in operating staff to a minimum. The loss for the quarter amounted to ($636,000) as a consequence.

Revenues for the first quarter of 2018 declined further from the comparative quarter of 2017 to $131,000, reflecting the declining level of services the Company is able to generate. Costs were contained further, but the Company sustained a further loss for the quarter of ($717,000) or $0.01 per share.

(Expressed in Canadian dollars)

Capital:

Authorized: Unlimited number of Common shares without par value,

Issued:

	Number of Shares	Amount $
Balance, March 9, 2012	1	1
Issued on completion of the arrangement	58,351,052	8,305,105
Balance, December 31, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and April 30, 2021	58,351,052	8,305,106

Liquidity:

On March 9. 2012, the Company was incorporated and one common share of the capital of the Company was issued for cash proceeds of $1. On July 3, 2012, the arrangement transaction as reported above, was completed and as part of the spin-out transaction, the Company received $509,000 (US$500,000) cash funding from the purchaser on behalf of the new FTC shareholders. In addition, as part of the spin-out transaction, the Company received 16,742,959 shares or quotas of Syspoints, with the attributed value of these shares acquired by CTF of $7,796,105 and representing 90.5 per cent of the total equity of Syspoints, and in exchange, FTC Canada issued 58,351,052 new common shares of the Company to CTF, such shares being immediately dividended out by CTF to the existing CTF shareholders.

In 2013, the Company's net earnings of $581,000, when adjusted for non-cash items and working capital account changes, generated cash flow from operations of $5,092,000. In addition, the Company's minority shareholder, Technis, advanced further funds of $832,000. Offsetting these cash inflows, cash outflows for capital expenditure disbursements for hardware and software additions of $223,000 and $356,000 respectively were made, and an investment of $200,000 as part of an acquisition strategy for additional loyalty software capabilities, was also made in the year.

In 2014, the Company continued to generate profits from operations amounting to $1,364,000, which when adjusted for non-cash items and working capital account changes provided a cash drawdown from operations of ($1,067,000).

Also, during the year, at the request of the minority shareholder, Syspoints repurchased all of the shares held by the minority shareholder and cancelled these, such that FTC Canada became the sole shareholder and Syspoints became a wholly-owned subsidiary of FTC Canada, and used $1,128,000 of its funds on hand to complete this share repurchase. Concurrent with the share buy-back, the Company repaid the loan from the minority shareholder and expended additional cash of $831,920 to make this repayment. The Company also made purchases of equipment and software enhancements totaling $817,000 in the year.

As a consequence, the net cash flow from operations, net of these capital expenditures, the share re-purchase and the loan repayment, and an adjustment for the impact of foreign currency translation, yielded a net cash drawdown of $4,500,000 to the opening balance of cash on hand of $6,576,000 to yield a closing cash position of $2,076,000 available for future operational needs.

For 2015, the Company experienced a loss from operations of ($70,000), which after adjustments for the non-cash items, resulted in a cash flow from operations of $3,972,000. However, the Company also expended approximately $1,000,000 for additions primarily to its software applications to expand its loyalty program capabilities in the year, and when taking into account the impact of exchange changes, the net cash flow resulted in a gain in cash on hand of $579,000, which when added to the opening balance of cash on hand of $2,076,000 yielded a closing cash position of $2,655,000 available to fund future operations.

In 2016, a further loss from operations was recorded of ($2,488,000), which after adjustments for non-cash items and changes in working capital accounts, yielded a positive cash contribution to operations of $2,123,000. However, in the expectation that BR would renew the contract, the Company expended $585,000 for additional software development to meet BR program on-going demands in the year. Offsetting this expenditure, while the exchange rate for the Real fluctuated in the year, the Real strengthened at year-end, year over year, and as a consequence an exchange gain resulted of $1,277,000. In summary, the Company actually increased its cash at year-end by $2,178,000, and held $4,833,000 at December 31, 2016.

For 2017, the Company suffered another loss from its operations amounting to ($4,361,000), which after adjustments for non-cash items and working capital changes in the year, resulted in a cash drawdown of ($4,103,000). Offsetting this, the Company obtained release of cash held by a Brazilian bank of $2,485,000. As a result of this infusion, but after the impact foreign exchange translation of the Brazilian operations, the Company experienced a reduction of its cash reserves of ($2,093,000), and held cash of $2,740,000 to fund its operations in 2018.

During 2018, Management made the decision to wind down all of its operations, following failing attempts to replace the loyalty card programs and associated revenues earned in past years, and to minimize all ongoing costs. The Company experienced another loss from its operations of $2,537,000, which after all non-cash adjustments, resulted in a decline in available cash of $2,047,000, such that it held cash of $693,000 at the year end.

For 2019, the Company experienced another loss of $80,000 and after working capital adjustments, brought about a further reduction of cash on hand of $382,000, so that the cash remaining for future operations stood at $311,000 at December 31, 2019.

Concurrently, in the year, management launched a claim against one of the companies with which it had jointly provided its card processing services, as it believes, under the terms of the operating agreement with this party, a breach of certain exclusivity provisions occurred. It is management’s intent to continue to pursue all of its rights contained in this operating agreement and to seek restitution and compensation for the loss of revenues so incurred.

For six years, the Company maintained a partnership with a data capture and processing company, under a service agreement, which includes an exclusivity clause to prevent the partner providing the same or similar services as per the agreement for a period of two years after the contract termination.

The Company believed that the partner company breached the exclusivity clause resulting in a loss for Syspoints. There are significant variances between the payments due and those actually earned and received.

Consequently, the Company commenced an action in 2019 in the Arbitrage Chamber.

An arbitration process is an appropriate means for settling disputes by which the parties agree for an impartial third party independent of the demand to analyze and adjudicate the dispute. The parties may further appoint an institution to promote process management through cost and document management.

The main Arbitrage method advantages are:

- Speed in conflict resolution
- Confidentiality
- Economy of process
- Flexibility of procedure
- Election of legislation, seat and language of procedure
- Expertise of the chosen referees

The Law that regulates Arbitrage in Brazil establishes that the parties are free in choosing the rules of law that will be applied, just as the process can be carried out based on the general principles of Law, customs and international trade rules.

The Arbitrage argues as an uncontroverted fact that the partner breached the exclusivity clause. Syspoints, then is seeking:

(i) a declaration that the Exclusivity Clause is valid and effective;
(ii) the acknowledgement that the partner failed to comply with the exclusivity obligation;
(iii) that partner be ruled to pay damages arising from the default of the exclusivity duties;
(iv) that partner be ordered to keep all records and data related to the Syspoints agreement, so that an expert can inspect them and assess any differences in payments owed to Syspoints; and
(v) in case any credit be verified by the expert that partner be ruled to pay the differences owed to Syspoints. Syspoints demands loss and damage of about R$ 80 million.

Recently the parties presented their final allegations closing the hearing process of the claim. The Arbitrage judges set the final deadline for August, 2019 to find their verdict. In 2020, the Arbitrators found in favour of the Company, but did not award any compensation and called for an independent determination of the claim to be performed.

While management has acted to reduce day-to-day operating costs while maintaining key staff to support its present reporting needs, management recognized that additional funds are required for the continued operation of the Company. During the year, the Company had received advances from its majority shareholder in the amount of CDN$136,000 (US$100,000) to sustain the Company and the arbitration proceedings, but at June 30, 2020, the Company had indebtedness of CDN$136,000 to the majority shareholder and FTC Brazil has additional indebtedness of approximately CDN$367,000 owing to creditors.

Sale of FTC Brazil

From the history above, the steady decline in the Company's fortunes became apparent. Management recognized that the Company is able to continue only with the sole support from cash advances by its majority shareholder to meet its statutory obligations and to fund the arbitration proceedings in Brazil. While the Company has had modest success on a legal basis with its claim, it is uncertain that it will ever realize a net benefit in Brazil, since more recent estimates of the value of the benefit are far less than the Company originally estimated and any outcome could be contested, further delaying receipt of settlement funds indefinitely. Such funds would then be subject to taxation in Brazil, reducing the value of the benefit. The uncertainty of the amount of an award and of the timing of receipt of such award currently prevents the Company from moving forward in any way. Given the consolidated indebtedness of the Company and its subsidiary of approximately CDN$500,000, its continuing reliance on the funding of its ongoing operations by the majority shareholder and the low probability of any near-term recovery from its arbitration action to lessen its current deficiency, the Company decided that it would be most beneficial to the Company's shareholders if the Company were to isolate itself from this Brazilian connection. Disposing of the Brazilian subsidiary would enable it to seek out a new business opportunity and, potentially, allow it to be reactivated and apply to resume trading on an exchange.

(Expressed in Canadian dollars)

Sale Agreement

On September 30, 2020, the Company entered into a definitive sale agreement (the “Sale Agreement”) with Arie Halpern (the “Purchaser”), a controlling shareholder of the Company. Under the terms of the Sale Agreement, the Company would sell to the Purchaser 100% of the issued and outstanding capital of FTC Brazil (the “FTC Brazil Equity Interests”), which sale will constitute the sale of all, or substantially all, of the assets of the Company.

As at the date of the sale agreement, September 30, 2020, the Purchaser had advanced certain funding to the Company (the “Advanced Funds”) in order to advance the business operations of the Company and FTC Brazil. Pursuant to the Sale Agreement, in exchange for the FTC Brazil Equity Interests, the Purchaser would pay to the Company a nominal sum of $10.00 and release the Company from all obligations the Company has in respect of the Advanced Funds. The sale of FTC Brazil would also effectively release the Company from the current obligations of FTC Brazil and further remove any potential liability which may arise from the FTC Brazil’s operations. A copy of the Sale Agreement is available on the Company’s SEDAR profile at www.sedar.com. On November 5, 2020, the Company received shareholder approval to complete the sale transaction and on December 30, 2020, the Company managed to fulfil and satisfy all of the conditions of the sale agreement, and the sale was completed on that day.

As at December 31, 2020, the liquidity of the Company reflects the impact of its operations for the year and most significantly, the sale of its Brazilian subsidiary and the benefits of the releases of its indebtedness to the majority shareholder, which significantly reduced its working capital deficit.

The Company’s opening cash position of $145,083 was reduced by the operating cash requirements in the year of $134,458. However, recognizing primarily the costs associated with the sale transaction, the majority shareholder advanced an additional $54,744 (US$40,000) in the fourth quarter.

As a consequence, the Company retained, at year end, cash of $65,369 to pay outstanding legal and other costs related to the sale and the annual audit of the Company’s financial statements, and to sustain its minimal activities for the ensuing year.

Related Party Transactions

The most significant related party transaction in the year was the sale of the Company’s wholly-owned Brazilian subsidiary, listed in the table below, to the Company’s majority shareholder on December 30, 2020. Also, during the year, this shareholder advanced an additional US$40,000 to assist the Company in funding legal and other statutory costs of the sale transaction.:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Syspoints Servicos de Informatica Ltda.	Sao Paulo, Brazil	100%	Operating company

Changes in Accounting Policies (Including Initial Adoption):

IFRS 16 Leases:

IFRS 16 was effective for the years ended as from January 01, 2019. This new standard replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The accounting requirements for lessors remain substantially the same in comparison with the standards currently in effect. However, there are significant changes for lessees as IFRS 16 determines a single model for them, by eliminating the distinction between financial and operating leases in a way that results in a balance sheet reflecting a "right of use" of assets and a related financial liability. Therefore, for many entities, the effect of recording all lease transactions in the balance sheet may be very significant.

The Company and its subsidiary have analyzed this standard and concluded that it did not cause significant impact in the financial statements.

New Standards Not Yet Adopted:

The following standards have not yet been adopted and are being evaluated to determine the impact on the Company's financial statements.

None.

Financial and Capital Risk Management:

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 described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company has various financial instruments including cash, trade accounts receivable and various accounts payable and accrued liabilities. Cash is carried at fair value using a level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held in a large Canadian financial institution in a non-interest bearing account.

The Company's trade and other accounts receivable consist mainly of amounts from GST receivable due from the government of Canada.

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 manages liquidity risk through its capital management as outlined in Liquidity above. Accounts payable relating to the Company's operations and other accounts payable and accrued liabilities are due within one year.

Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is minimal because these investments roll over daily.

b) Foreign currency risk

Previously, the Company's subsidiary operated in Brazil and consequently was subject to fluctuations in the exchange rate of the Brazilian real to the Canadian dollar. The Company did not undertake any hedging activity against this significant foreign currency risk. Currently, the Company has no foreign currency exposure.

c) Price risk

The Company was exposed to price risk with respect to commodity prices, particularly fuel, as the Company's revenues directly reflected the pricing of fuels sold to fleet and vehicle owners. The Company did not undertake any hedging activity against this exposure. Currently, the Company has no price risk exposure.

Covid-19 Impact

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economics, and financial markets globally, and lead to an economic downturn. 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, but due to the Company's inactivity, it is expected that the impact of the pandemic will be minimal for the near term.

Events After the Reporting Date:

None.

FTC CARDS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

FTC CARDS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	September 30, 2021	December 31, 2020
	$	$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	417,557	65,369
Loans receivable (Note 4)	63,705	-
Goods and services tax recoverable	13,716	1,186
	494,978	66,555
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Notes 5, 9)	149,967	21,976
EQUITY		
Share capital (Note 6)	8,904,141	8,305,106
Share subscriptions received (Note 6)	30,000	-
Deficit	(8,589,130)	(8,260,527)
	345,011	44,579
	494,978	66,555

GOING CONCERN (Note 2(c))
SUBSEQUENT EVENTS (Note 10)

Approved on behalf of the Board of Directors on November 29, 2021:

"Robert Kiesman"
Robert Kiesman, Director

"Kyle Haddow"
Kyle Haddow, Director

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

FTC CARDS INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	$	$	$	$
		(Restated: Note 1)		(Restated: Note 1)
EXPENSES				
Accounting and audit	-	-	14,237	3,100
Consulting, director and management fees	46,000	-	156,000	63,980
Transfer agent and filing fees	3,730	-	11,568	2,196
Foreign exchange	33	(4,807)	1,451	5,062
Legal fees	112,849	-	144,888	53,119
Office and miscellaneous expenses	344	43	459	1,264
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS	(162,956)	4,764	(328,603)	(128,721)
DISCONTINUED OPERATIONS				
Loss from subsidiary sold (Note 1)	-	(31,134)	-	(81,053)
NET LOSS	(162,956)	(26,370)	(328,603)	(209,774)
BASIC AND DILUTED LOSS PER SHARE	(0.01)	(0.01)	(0.04)	(0.06)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	15,535,101	3,535,101	7,974,661	3,535,101

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

FTC CARDS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	$	$
		(Restated: Note 1)
OPERATING ACTIVITIES		
Loss for the period	(328,603)	(128,721)
Items not involving cash:		
Foreign exchange loss on loan receivable	55	-
	(328,548)	(128,721)
Changes in non-cash working capital items:		
Goods and services taxes recoverable	(12,530)	(187)
Accounts payable and accrued liabilities	127,991	(1,172)
CASH FLOWS USED IN OPERATING ACTIVITIES	(213,087)	(130,080)
INVESTING ACTIVITIES		
Loans receivable advanced	(63,760)	-
CASH FLOWS USED BY INVESTING ACTIVITIES	(63,760)	-
FINANCING ACTIVITIES		
Proceeds from the issuance of common shares, net	599,035	-
Share subscriptions received	30,000	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	629,035	-
CHANGE IN CASH DURING THE PERIOD	352,188	(130,080)
CASH, BEGINNING OF PERIOD	65,369	144,839
CASH, END OF PERIOD	417,557	14,759
Cash paid for:		
Income taxes	-	-
Interest	-	-

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

FTC CARDS INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscriptions Received	Capital Transactions	Retained Earnings	Accumulated Other Comprehensive Income	Total Equity
		$	$	$	$	$	$
Balance as at December 31, 2019	3,535,101	8,305,106	-	(309,554)	(5,679,161)	(2,811,496)	(495,105)
Net loss	-	-	-	-	(209,774)	-	(209,774)
Foreign currency translation gain	-	-	-	-	-	119,869	119,869
Balance as at September 30, 2020	3,535,101	8,305,106	-	(309,554)	(5,888,935)	(2,691,627)	(585,010)
Balance as at December 31, 2020	3,535,101	8,305,106	-	-	(8,260,527)	-	44,579
Issuance of common shares, net	12,000,000	599,035	-	-	-	-	599,035
Share subscriptions received	-	-	30,000	-	-	-	30,000
Net loss	-	-	-	-	(328,603)	-	(328,603)
Balance as at September 30, 2021	15,535,101	8,904,141	30,000	-	(8,589,130)	-	345,011

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

1. NATURE OF BUSINESS

FTC Cards Inc. (“FTC”, “FTC Canada” and the “Company”) was incorporated under the name “0934977 B.C. Ltd.” under the laws of the Province of British Columbia by articles of incorporation dated March 9, 2012. On May 16, 2012, the name was changed to “FTC Cards Inc.”

On May 21, 2021, the Company completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares. These financial statements retrospectively reflect this share consolidation for all shares and per share amounts.

The Company was incorporated by CTF Technologies Inc. (“CTF”) for the purposes of completing a reorganization whereby, pursuant to the terms of an Arrangement agreement between CTF and FleetCor Technologies Inc, (“FleetCor”), FleetCor would acquire all of the shares of CTF from its existing shareholders and FTC Canada would be “spun-out” from CTF, ie. all of the shares of FTC Canada owned by CTF would be dividended to its shareholders so that the former CTF shareholders became the new shareholders of FTC Canada. Consequently, on July 3, 2012, the completion date, FTC Canada ceased to be a wholly-owned subsidiary of CTF and became a reporting issuer, although its common shares are currently not listed on any exchange for trading in Canada or elsewhere.

Also, pursuant to the terms of the Arrangement agreement, when the FTC Canada shares were issued to CTF, in return the Company acquired approximately 90.5% of the equity of FTC Cards Processamento e Serviços de Fidelização Ltda. (“FTC Brazil”) from CTF and assumed the management of the business of FTC Brazil. FTC Brazil is a limited liability company (sociedade limitada) under the laws of Brazil and was incorporated on April 7, 2011. The balance of the equity in FTC Brazil is held by Technis Planejamento e Gestão em Negócios Ltda. (“Technis”), a limited liability company (sociedade limitada) under the laws of Brazil and an unrelated party.

On October 17, 2014, at the request of the minority shareholder of FTC Brazil, the 9.5 per cent interest held by Technis was repurchased and cancelled, such that FTC Brazil became a wholly-owned subsidiary of FTC Canada with effect from October, 2014.

Effective December 1, 2017, FTC Brazil changed its registered name from FTC Cards Processamento e Serviços de Fidelização Ltda. to “Syspoints Servicos de Informatica Ltda.”.

On December 30, 2020, the Company sold FTC Brazil to its major shareholder. As a consequence, these financial statements are no longer consolidated, and reflect solely the financial position and results of the parent Canadian company, FTC Cards Inc. for the period ended September 30, 2021 with comparative restated amounts for the prior year.

On May 7, 2021, the Company entered into a non-binding letter of intent with Beyond Oil Ltd. (“Beyond Oil”) to acquire, through a series of steps, all of the issued and outstanding securities of Beyond Oil. Beyond Oil is a developer and manufacturer of an innovative proprietary and patented formulation which eliminates the free fatty acids from cooking oil while preserving the oil's quality and nutritional values.

FTC entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") among FTC, Beyond Oil, and the shareholders of Beyond Oil (the “Shareholders”). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of Beyond Oil, in exchange for securities of FTC, constituting a reverse takeover (together with the related transactions and corporate procedures set forth in the SPA, the “Transaction”).

The registered and records office of FTC Canada is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, BC V6E 4N7. The head office of FTC Canada is located at 33157 Tunbridge Avenue, Mission, BC V2V 6X9.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements and notes thereto as of and for the year ended December 31, 2020. These financial statements were authorized for issue by the Board of Directors on November 29, 2021.

b) Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2020. The adoption of new accounting standards has had no material impact on the condensed interim financial statements.

c) Going concern

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans. As at September 30, 2021, the Company had working capital of $345,011, an accumulated deficit of $8,589,130 and no source of revenues.

These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year.

Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustment could be material.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

2. BASIS OF PREPARATION (continued)

c) Use of estimates and judgments

The preparation of these unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting judgments

i. The determination of the Company's ability to continue as a going concern requires management to make judgments and assumptions of future events.

d) Functional and reporting currency

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2020.

4. PROPOSED TRANSACTION AND LOANS RECEIVABLE

On May 7, 2021, the FTC entered into a non-binding letter of intent with Beyond Oil Ltd. (“Beyond Oil”) to acquire, through a series of steps, all of the issued and outstanding securities of Beyond Oil. Beyond Oil is a developer and manufacturer of an innovative proprietary and patented formulation which eliminates the free fatty acids from cooking oil while preserving the oil's quality and nutritional values.

FTC entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") among FTC, Beyond Oil, and the shareholders of Beyond Oil (the “Shareholders”). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of Beyond Oil, in exchange for securities of FTC, constituting a reverse takeover (together with the related transactions and corporate procedures set forth in the SPA, the “Transaction”).

In connection with the completion of the Transaction, FTC will apply to list on the Canadian Securities Exchange (the “CSE”). The listing will be subject to the approval of the CSE.

Transaction Terms

Pursuant to the terms of the SPA, and subject to certain conditions, including receipt of applicable regulatory and shareholder approvals, at the closing of the Transaction (the “Closing”), FTC will acquire all the issued and outstanding securities of Beyond Oil. At the Closing, Beyond Oil will become a wholly-owned subsidiary of FTC (after the Closing, the “Resulting Issuer”).

At the Closing, the shareholders of Beyond Oil will be issued: (a) such number of common shares of FTC (after the Closing, “Resulting Issuer Shares”) that equals 50% plus 1 share of the total number of issued and outstanding Resulting Issuer Shares after giving effect to the Transaction (the “Vend-in Shares”); and (b) such number of warrants of the Resulting Issuer that equals 50% plus 1 share of the total number of issued and outstanding warrants of the Resulting Issuer outstanding after giving effect to the Transaction (the “Consideration Warrants”). Each Consideration Warrant will be exercisable for one Resulting Issuer Share at an exercise price of $1.18 per share for a period of 12 months from the date of Closing (“Closing Date”).

In addition, the selling shareholders will be entitled to, in the aggregate, that number of Resulting Issuer Shares as is equal to 10% of the issued and outstanding Resulting Issuer Shares as at the Closing (for a total of 40%), upon satisfaction of each of the following:

a) the Resulting Issuer obtaining orders for at least US$3 million from customers within 12 months of the Closing;
b) the Resulting Issuer achieving US$6 million in cumulative sales within 18 months of the Closing;
c) the Resulting Issuer achieving US$13 million in cumulative sales within 30 months of the Closing;
d) the Resulting Issuer reaching positive EBITDA by the end of its fiscal year ended December 31, 2023

If the Resulting Issuer signs a definitive agreement with a major industry partner or oil producer on or before December 31, 2023 that results in the Resulting Issuer receiving US$10 million in revenues over a 24 month period, such milestone may be used as a replacement for any one milestone in (a), (b), (c) or (d) above. The Resulting Issuer Shares issuable upon satisfaction of one or more of such milestones, the “Deferred Payment Shares”. The Deferred Payment Shares will be issued upon the exercise of contingent value rights (the “Contingent Rights”) issued at Closing and qualified by the Prospectus (as defined below).

In addition, all 120,922 existing stock options of Beyond Oil will be exchanged for that same number of options of the Resulting Issuer on economically equivalent terms (the “Replacement Options”) and all outstanding common share purchase warrants of Beyond Oil will be cancelled at Closing.

The SPA provides that no party will solicit or negotiate with any other entities with respect to a transaction similar to the Transaction.

4. PROPOSED TRANSACTION AND LOANS RECEIVABLE (continued)

In addition to any legends required pursuant to applicable securities laws, all of the Vend-in Shares will be subject to a 36-month staged escrow, and 2,565,536 Vend-In Shares will be subject to a 24 month hold period pursuant to Israeli tax laws.

The completion of the Transaction is subject to the satisfaction of certain conditions, including but not limited to: (a) closing of the Concurrent Financing (as defined below); (b) the Resulting Issuer having cash of at least US$3.5 million (less the amount of the Seed Loan and Bridge Loan, if any) and no liabilities other than Beyond Oil's Transaction expenses; (c) the absence of any material adverse change in the business of either Beyond Oil or FTC; (d) no proceeding or law being enacted or commenced that frustrates the consummation of the Transaction; (f) receipt of a pre-tax ruling from the Israeli Tax Authority; (g) the amendment of certain agreements to which Beyond Oil is a party; (h) approval of the shareholders of FTC to certain amendments to the articles of FTC and election of the Beyond Oil nominees to the board of directors of the Resulting Issuer (the "Resulting Issuer Board"); and (i) the receipt of all requisite regulatory, stock exchange or governmental authorizations and consents, including the approval of the CSE and receipt from the BC Securities Commission in respect of a prospectus qualifying the distribution of the Units pursuant to the Concurrent Financing, the Vend-In shares, the Consideration Warrants and the Contingent Rights (the "Prospectus"). Accordingly, there can be no assurance that the Transaction will be completed on the terms proposed above, or at all.

If Beyond Oil terminates the SPA for any reason other than as provided in the SPA or FTC terminates the SPA: (a) due to a material breach by Beyond Oil of any representation, warranty or covenant which Beyond Oil has failed to cure within ten business days; or (b) as a result of Beyond Oil completing an alternative transaction, Beyond Oil will pay FTC a termination fee of $150,000 within 5 business days of such termination and repay the Seed Loan and Bridge Loan (as defined below), in accordance with the terms thereof. Finally, If Beyond Oil terminates the SPA due to a material breach by FTC of any representation, warranty or covenant which FTC has failed to cure within ten business days, FTC shall reimburse Beyond Oil its Transaction related expenses.

The SPA also contains customary representations and warranties and indemnities for breaches of representations and warrants, pre-closing tax losses and breaches of covenants in the SPA. Fifty percent of the unissued Contingent Rights will effectively be granted as security for the indemnification obligations of the shareholders and may be cancelled if, and to the extent, of an indemnification obligation.

<u>Seed Financing & Seed Loan</u>

As disclosed in FTC's news release dated June 22, 2021, FTC completed a seed financing comprised of 12,000,000 FTC Shares at a price of $0.05 per share for gross proceeds of $600,000 (the "Seed Financing"). All of the FTC Shares issued pursuant to the Seed Financing remain subject to a statutory hold period ending on October 23, 2021. In addition, if the Transaction completes, all of the 6,750,000 Resulting Issuer Shares issued in the Seed Financing to certain advisors of FTC will be subject to a contractual hold period whereby: (a) 25% of such FTC Shares will be free trading on the listing date of the Resulting Issuer ("Listing Date"); and (b) 25% of such FTC Shares will be free trading at each of the dates that are 6, 12 and 18 months from the Listing Date. All of the other 5,250,000 FTC Shares issued in the Seed Financing will be deposited into escrow upon closing of the Transaction, as required by the policies of the CSE and applicable securities laws.

After completion of the Seed Financing, on July 7, 2021, FTC loaned Beyond Oil US$50,000 ($63,760) pursuant to an unsecured promissory note (the "Seed Loan"). Proceeds from the Seed Loan have been used by Beyond Oil for expenses related to the Transaction and for general working capital. After adjusting for the effects of foreign exchange, the carrying value of the Seed Loan at September 30, 2021 was $63,705.

4. PROPOSED TRANSACTION AND LOANS RECEIVABLE (continued)

Bridge Financing & Bridge Loan

Pursuant to the SPA, FTC is undertaking a bridge financing comprised of approximately 2,500,000 FTC Shares at a price of $0.50 per share, for gross proceeds of approximately $1,250,000 (the "Bridge Financing"). All of the FTC Shares issued pursuant to the Bridge Financing will be subject to a statutory hold period ending four months plus one day after closing of the Bridge Financing. FTC may pay a finder's fee equal to 7% in cash to certain finders from proceeds in the Bridge Financing. As at September 30, 2021, FTC had received $30,000 for subscriptions to the Bridge Financing

It is expected that net proceeds from the Bridge Financing will be used by FTC for expenses related to the Transaction, for general working capital and for a secured loan to Beyond Oil (the "Bridge Loan"). It is expected that proceeds from the Bridge Loan will be used by Beyond Oil to begin implementing Beyond Oil's business plan, for expenses related to the Transaction and for general working capital.

Concurrent Financing

As a condition to closing of the Transaction, FTC intends to complete a concurrent private placement (the "Concurrent Financing") of non-transferable special warrants ("Special Warrants") for aggregate proceeds of approximately $3,500,000.

It is expected that each Special Warrant will have an issue price of $0.75 per Special Warrant, or such other price as determined by the board of directors (the "FTC Board") of FTC (the "Special Warrant Issue Price"). Each Special Warrant will automatically convert, without the payment of any additional consideration (other than the proceeds paid by FTC in accordance with the Concurrent Financing), into one unit ("Unit"), on the date that is the earlier of: (a) the third business day after receipt of the Prospectus; and (b) 4 months and a day after the issue date of the Special Warrants.

Each Unit will be comprised of one FTC Share and one half of one warrant (the "Concurrent Warrants"), each whole Concurrent Warrant being exercisable for one Resulting Issuer Share at an exercise price of $1.25 per share for a period of 12 months after the Closing Date.

It is intended that the net proceeds from the Concurrent Financing will be used to complete the Transaction, to continue to implement Beyond Oil's business plan, including sales & marketing, product development, and for general working capital.

Subject to the approval of the Exchange, the Resulting Issuer has agreed to pay to Pinhas Or, the founder of Beyond Oil, the sum of US$500,000 upon the Resulting Issuer receiving at least $2,500,000 pursuant to the exercise of Concurrent Warrants and Consideration Warrants.

The SPA provides that the Resulting Issuer may pay finders' fees to certain finders in the amount of 7.5% of gross proceeds in cash and the issuance to certain finders of the number of finder's warrants ("Finders' Warrants") equal to 7.5% of the number of securities sold in the Concurrent Financing, where each Finders' Warrant will be exercisable to purchase one Resulting Issuer Share at the Special Warrant Issue Price for a period of one year after the Closing.

Finders' Fee Shares

The SPA provides that the Resulting Issuer will issue such number of Resulting Issuer Shares as are equal to an aggregate of 7% of the number of Vend-in Shares (the "Finders' Fee Shares") being issued in connection with the Transaction to certain finders. It is expected that the distribution of the Finders' Fee Shares will be qualified by the Prospectus.

(Expressed in Canadian dollars)

4. PROPOSED TRANSACTION AND LOANS RECEIVABLE (continued)

Resulting Issuer

On closing of the Transaction, FTC will change its name to "Beyond Oil Ltd." and will carry on the business conducted by Beyond Oil, and the Resulting Issuer Shares will be listed under a new trading symbol.

5. ACCOUNTS PAYABLE

The Company's accounts payable are as follows:

	September 30, 2021	December 31, 2020
Trade payables	133,204	21,976
Due to related parties (Note 8)	16,763	-
	149,967	21,976

6. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Share consolidation

On May 21, 2021, the Company completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares.

c) On June 22, 2021, the Company closed a non-brokered private placement of 12,000,000 common shares, at a price of $0.05 per share, for gross proceeds of $600,000. The Company incurred cash share issuance costs of $965.

d) On September 27, 2021, the Company announced a non-brokered private placement of up to 2,500,000 common shares, at a price of $0.50 per share, for gross proceeds of up to $1,250,000. During the period ended September 30, 2021, the Company received $30,000 for subscriptions to the private placement.

e) On September 26, 2021, the Company adopted a stock option plan (the "Stock Option Plan"). The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. The Stock Option Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the closing market price of Common Shares on: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession

(Expressed in Canadian dollars)

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2021 the Company considers capital to be comprised of all components of equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

8. FINANCIAL INSTRUMENTS

Fair Values

The Company's financial instruments consist of cash, loans receivable and accounts payable, the fair values of which approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments at September 30, 2021:

	Category	$
Cash	FVTPL	417,557
Loans receivable	Amortized cost	63,705
Accounts payable	Amortized cost	149,967

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices), and
Level 3 – Inputs that are not based on observable market date

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy at September 30, 2021, as follows:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	417,557	-	-	417,557

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places cash with high credit quality financial institutions. As at September 30, 2021, the maximum amount of credit risk the Company is exposed to through its financial assets is $63,705.

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (see Note 2(c)). The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company requires financing to meet its short-term obligations to support operations.

The Company monitors its ability to meet its short-term expenditures for the identification, evaluation and acquisition of assets of a business by raising additional funds through share issuance when required. The following are the contractual maturities of financial liabilities as at September 30, 2021:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years	Over 3 years
	$	$	$	$	$	$
Accounts payable	149,967	149,967	149,967	-	-	-

9. RELATED PARTY TRANSACTIONS AND BALANCES

The Company considers its officers and directors to be key management personnel.

During the nine months ended September 30, 2021 and 2020, the Company's transactions with related parties are as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
A company controlled by the CEO (director fees)	7,250	-
CFO (management fees)	4,000	-
An independent director (director fees)	4,000	-
Corporate Secretary (management fees)	5,750	-
Total	21,000	-

As at September 30, 2021 and December 31, 2020, the Company had the following amounts owed to related parties.

	September 30, 2021	December 31, 2020
A company controlled by the CEO	7,613	-
CFO	4,200	-
An independent director	4,200	-
Corporate Secretary	750	-
Corporate Secretary	16,763	-

10. EVENTS AFTER THE REPORTING DATE

On November 8, 2021, the Company granted 975,000 stock options to certain directors, officers and consultants. The options have an exercise price of $0.50 per share and an expiry date of November 8, 2031. All of the options vested immediately.

Pursuant to the SPA (Note 4), the Company:

a) On October 1, 2021, loaned US$105,000 ($134,850) to Beyond Oil, as a Seed Loan.

b) On November 5, 2021, closed the first tranche of the Bridge Financing. A total of 1,528,000 common shares were issued for gross proceeds of $764,000.

c) On November 17, 2021, loaned US$450,000 ($571,860) to Beyond Oil, being the first tranche of the Bridge Loan.

d) On November 26, 2021, closed the second tranche of the Bridge Financing. A total of 972,000 common shares were issued for gross proceeds of $486,000.

FTC CARDS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(Expressed in Canadian dollars)

Dated: November 29, 2021

Management's Responsibility for Financial Reporting:

The accompanying condensed interim financial report for the nine months ended September 30, 2021 has been prepared by management using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). Other information contained in this document has also been prepared by management and is consistent with the data contained in the condensed interim financial report.

This management's discussion and analysis ("MD&A") focuses on significant factors that affected the Company during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the financial statements of the Company and the notes thereto for the nine months ended September 30, 2021, and consequently, should be read in conjunction with the aforementioned financial statements for the nine months ended September 30, 2021.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that the interim financial report and interim Management Discussion and Analysis (together the "interim filings") do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered by these interim filings, and the interim financial report together with the other financial information included in these interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these interim filings.

The Board of Directors approves the interim financial report together with the other financial information included in the interim filings and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all corporate filings prior to filing.

Description of Business:

FTC Cards Inc. ("FTC", "FTC Canada" and the "Company") was incorporated under the name "0934977 B.C. Ltd." under the laws of the Province of British Columbia by articles of incorporation dated March 9, 2012. On May 16, 2012, the name was changed to "FTC Cards Inc."

On May 21, 2021, the Company completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares. These financial statements retrospectively reflect this share consolidation for all shares and per share amounts.

The Company was incorporated by CTF Technologies Inc. ("CTF") for the purposes of completing a reorganization whereby, pursuant to the terms of an Arrangement agreement between CTF and FleetCor Technologies Inc, ("FleetCor"), FleetCor would acquire all of the shares of CTF from its existing shareholders and FTC Canada would be "spun-out" from CTF, ie. all of the shares of FTC Canada owned by CTF would be dividended to its shareholders so that the former CTF shareholders became the new shareholders of FTC Canada. Consequently, on July 3, 2012, the completion date, FTC Canada ceased to be a wholly-owned subsidiary of CTF and became a reporting issuer, although its common shares are currently not listed on any exchange for trading in Canada or elsewhere.

Description of Business (continued):

Also, pursuant to the terms of the Arrangement agreement, when the FTC Canada shares were issued to CTF, in return the Company acquired approximately 90.5% of the equity of FTC Cards Processamento e Serviços de Fidelização Ltda. ("FTC Brazil") from CTF and assumed the management of the business of FTC Brazil. FTC Brazil is a limited liability company (sociedade limitada) under the laws of Brazil and was incorporated on April 7, 2011. The balance of the equity in FTC Brazil is held by Technis Planejamento e Gestão em Negócios Ltda. ("Technis"), a limited liability company (sociedade limitada) under the laws of Brazil and an unrelated party.

On October 17, 2014, at the request of the minority shareholder of FTC Brazil, the 9.5 per cent interest held by Technis was repurchased and cancelled, such that FTC Brazil became a wholly-owned subsidiary of FTC Canada with effect from October, 2014.

Effective December 1, 2017, FTC Brazil changed its registered name from FTC Cards Processamento e Serviços de Fidelização Ltda. to "Syspoints Servicos de Informatica Ltda.".

On December 30, 2020, the Company sold FTC Brazil to its major shareholder. As a consequence, these financial statements are no longer consolidated, and reflect solely the financial position and results of the parent Canadian company, FTC Cards Inc. for the period ended September 30, 2021 with comparative restated amounts for the prior year.

On May 7, 2021, the Company entered into a non-binding letter of intent with Beyond Oil Ltd. ("Beyond Oil") to acquire, through a series of steps, all of the issued and outstanding securities of Beyond Oil. Beyond Oil is a developer and manufacturer of an innovative proprietary and patented formulation which eliminates the free fatty acids from cooking oil while preserving the oil's quality and nutritional values.

Proposed Transaction With Beyond Oil:

FTC entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") among FTC, Beyond Oil, and the shareholders of Beyond Oil (the "Shareholders"). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of Beyond Oil, in exchange for securities of FTC, constituting a reverse takeover (together with the related transactions and corporate procedures set forth in the SPA, the "Transaction").

In connection with the completion of the Transaction, FTC will apply to list on the Canadian Securities Exchange (the "CSE"). The listing will be subject to the approval of the CSE.

Transaction Terms

Pursuant to the terms of the SPA, and subject to certain conditions, including receipt of applicable regulatory and shareholder approvals, at the closing of the Transaction (the "Closing"), FTC will acquire all the issued and outstanding securities of Beyond Oil. At the Closing, Beyond Oil will become a wholly-owned subsidiary of FTC (after the Closing, the "Resulting Issuer").

At the Closing, the shareholders of Beyond Oil will be issued: (a) such number of common shares of FTC (after the Closing, "Resulting Issuer Shares") that equals 50% plus 1 share of the total number of issued and outstanding Resulting Issuer Shares after giving effect to the Transaction (the "Vend-in Shares"); and (b) such number of warrants of the Resulting Issuer that equals 50% plus 1 share of the total number of issued and outstanding warrants of the Resulting Issuer outstanding after giving effect to the Transaction (the "Consideration Warrants"). Each Consideration Warrant will be exercisable for one Resulting Issuer Share at an exercise price of $1.18 per share for a period of 12 months from the date of Closing ("Closing Date").

Proposed Transaction With Beyond Oil (continued):

Transaction Terms (continued)

In addition, the selling shareholders will be entitled to, in the aggregate, that number of Resulting Issuer Shares as is equal to 10% of the issued and outstanding Resulting Issuer Shares as at the Closing (for a total of 40%), upon satisfaction of each of the following:

a) the Resulting Issuer obtaining orders for at least US$3 million from customers within 12 months of the Closing;
b) the Resulting Issuer achieving US$6 million in cumulative sales within 18 months of the Closing;
c) the Resulting Issuer achieving US$13 million in cumulative sales within 30 months of the Closing;
d) the Resulting Issuer reaching positive EBITDA by the end of its fiscal year ended December 31, 2023

If the Resulting Issuer signs a definitive agreement with a major industry partner or oil producer on or before December 31, 2023 that results in the Resulting Issuer receiving US$10 million in revenues over a 24 month period, such milestone may be used as a replacement for any one milestone in (a), (b), (c) or (d) above. The Resulting Issuer Shares issuable upon satisfaction of one or more of such milestones, the "Deferred Payment Shares". The Deferred Payment Shares will be issued upon the exercise of contingent value rights (the "Contingent Rights") issued at Closing and qualified by the Prospectus (as defined below).

In addition, all 120,922 existing stock options of Beyond Oil will be exchanged for that same number of options of the Resulting Issuer on economically equivalent terms (the "Replacement Options") and all outstanding common share purchase warrants of Beyond Oil will be cancelled at Closing.

The SPA provides that no party will solicit or negotiate with any other entities with respect to a transaction similar to the Transaction.

In addition to any legends required pursuant to applicable securities laws, all of the Vend-in Shares will be subject to a 36-month staged escrow, and 2,565,536 Vend-In Shares will be subject to a 24 month hold period pursuant to Israeli tax laws.

The completion of the Transaction is subject to the satisfaction of certain conditions, including but not limited to: (a) closing of the Concurrent Financing (as defined below); (b) the Resulting Issuer having cash of at least US$3.5 million (less the amount of the Seed Loan and Bridge Loan, if any) and no liabilities other than Beyond Oil's Transaction expenses; (c) the absence of any material adverse change in the business of either Beyond Oil or FTC; (d) no proceeding or law being enacted or commenced that frustrates the consummation of the Transaction; (f) receipt of a pre-tax ruling from the Israeli Tax Authority; (g) the amendment of certain agreements to which Beyond Oil is a party; (h) approval of the shareholders of FTC to certain amendments to the articles of FTC and election of the Beyond Oil nominees to the board of directors of the Resulting Issuer (the "Resulting Issuer Board"); and (i) the receipt of all requisite regulatory, stock exchange or governmental authorizations and consents, including the approval of the CSE and receipt from the BC Securities Commission in respect of a prospectus qualifying the distribution of the Units pursuant to the Concurrent Financing, the Vend-In shares, the Consideration Warrants and the Contingent Rights (the "Prospectus"). Accordingly, there can be no assurance that the Transaction will be completed on the terms proposed above, or at all.

If Beyond Oil terminates the SPA for any reason other than as provided in the SPA or FTC terminates the SPA: (a) due to a material breach by Beyond Oil of any representation, warranty or covenant which Beyond Oil has failed to cure within ten business days; or (b) as a result of Beyond Oil completing an alternative transaction, Beyond Oil will pay FTC a termination fee of $150,000 within 5 business days of such termination and repay the Seed Loan and Bridge Loan (as defined below), in accordance with the terms thereof. Finally, If Beyond Oil terminates the SPA due to a material breach by FTC of any representation, warranty or covenant which FTC has failed to cure within ten business days, FTC shall reimburse Beyond Oil its Transaction related expenses.

Proposed Transaction With Beyond Oil (continued):

Transaction Terms (continued)

The SPA also contains customary representations and warranties and indemnities for breaches of representations and warrants, pre-closing tax losses and breaches of covenants in the SPA. Fifty percent of the unissued Contingent Rights will effectively be granted as security for the indemnification obligations of the shareholders and may be cancelled if, and to the extent, of an indemnification obligation.

Seed Financing & Seed Loan

As disclosed in FTC's news release dated June 22, 2021, FTC completed a seed financing comprised of 12,000,000 FTC Shares at a price of $0.05 per share for gross proceeds of $600,000 (the "Seed Financing"). All of the FTC Shares issued pursuant to the Seed Financing remain subject to a statutory hold period ending on October 23, 2021. In addition, if the Transaction completes, all of the 6,750,000 Resulting Issuer Shares issued in the Seed Financing to certain advisors of FTC will be subject to a contractual hold period whereby: (a) 25% of such FTC Shares will be free trading on the listing date of the Resulting Issuer ("Listing Date"); and (b) 25% of such FTC Shares will be free trading at each of the dates that are 6, 12 and 18 months from the Listing Date. All of the other 5,250,000 FTC Shares issued in the Seed Financing will be deposited into escrow upon closing of the Transaction, as required by the policies of the CSE and applicable securities laws.

After completion of the Seed Financing, on July 7, 2021, FTC loaned Beyond Oil US$50,000 ($63,760) pursuant to an unsecured promissory note (the "Seed Loan"). On October 1, 2021, FTC loaned $105,000 ($134,850) to Beyond Oil, for the second Seed Loan. Proceeds from the Seed Loans have been used by Beyond Oil for expenses related to the Transaction and for general working capital.

Bridge Financing & Bridge Loan

Pursuant to the SPA, FTC is undertook a bridge financing comprised of 2,500,000 FTC Shares at a price of $0.50 per share, for gross proceeds of $1,250,000 (the "Bridge Financing"). All of the FTC Shares issued pursuant to the Bridge Financing will be subject to a statutory hold period ending four months plus one day after closing of the Bridge Financing. FTC may pay a finder's fee equal to 7% in cash to certain finders from proceeds in the Bridge Financing.

On November 5, 2021, FTC closed the first tranche of the Bridge Financing. A total of 1,528,000 common shares were issued for gross proceeds of $764,000. On November 26, 2021, FTC closed the second tranche of the Bridge Financing. A total of 972,000 common shares were issued for gross proceeds of $486,000.

It is expected that net proceeds from the Bridge Financing will be used by FTC for expenses related to the Transaction, for general working capital and for a secured loan to Beyond Oil (the "Bridge Loan"). It is expected that proceeds from the Bridge Loan will be used by Beyond Oil to begin implementing Beyond Oil's business plan, for expenses related to the Transaction and for general working capital.

After completion of the first tranche of the Bridge Financing, on November 17, 2021, FTC loaned Beyond Oil US$450,000 ($571,860), being the first tranche of the Bridge Loan.

Proposed Transaction With Beyond Oil (continued):

Concurrent Financing

As a condition to closing of the Transaction, FTC intends to complete a concurrent private placement (the "Concurrent Financing") of non-transferable special warrants ("Special Warrants") for aggregate proceeds of approximately $3,500,000.

It is expected that each Special Warrant will have an issue price of $0.75 per Special Warrant, or such other price as determined by the board of directors (the "FTC Board") of FTC (the "Special Warrant Issue Price"). Each Special Warrant will automatically convert, without the payment of any additional consideration (other than the proceeds paid by FTC in accordance with the Concurrent Financing), into one unit ("Unit"), on the date that is the earlier of: (a) the third business day after receipt of the Prospectus; and (b) 4 months and a day after the issue date of the Special Warrants.

Each Unit will be comprised of one FTC Share and one half of one warrant (the "Concurrent Warrants"), each whole Concurrent Warrant being exercisable for one Resulting Issuer Share at an exercise price of $1.25 per share for a period of 12 months after the Closing Date.

It is intended that the net proceeds from the Concurrent Financing will be used to complete the Transaction, to continue to implement Beyond Oil's business plan, including sales & marketing, product development, and for general working capital.

Subject to the approval of the Exchange, the Resulting Issuer has agreed to pay to Pinhas Or, the founder of Beyond Oil, the sum of US$500,000 upon the Resulting Issuer receiving at least $2,500,000 pursuant to the exercise of Concurrent Warrants and Consideration Warrants.

The SPA provides that the Resulting Issuer may pay finders' fees to certain finders in the amount of 7.5% of gross proceeds in cash and the issuance to certain finders of the number of finder's warrants ("Finders' Warrants") equal to 7.5% of the number of securities sold in the Concurrent Financing, where each Finders' Warrant will be exercisable to purchase one Resulting Issuer Share at the Special Warrant Issue Price for a period of one year after the Closing.

Finders' Fee Shares

The SPA provides that the Resulting Issuer will issue such number of Resulting Issuer Shares as are equal to an aggregate of 7% of the number of Vend-in Shares (the "Finders' Fee Shares") being issued in connection with the Transaction to certain finders. It is expected that the distribution of the Finders' Fee Shares will be qualified by the Prospectus.

Resulting Issuer

On closing of the Transaction, FTC will change its name to "Beyond Oil Ltd." and will carry on the business conducted by Beyond Oil, and the Resulting Issuer Shares will be listed under a new trading symbol.

Results of Operations for the Three Months Ended September 30, 2021:

During the three months ended September 30, 2021, the Company incurred consulting, director and management fees of $46,000 and legal fees of $112,849 in the current quarter, both primarily related to the proposed transaction with Beyond Oil, were higher than the $nil and $nil incurred respectively during the third quarter of last year. The Company incurred $33 for foreign exchange expense during the third quarter, compared to negative $4,807 for the same quarter of last year. During the third quarter of the current year, the Company incurred office and miscellaneous expenses of $344 and transfer agent and filing fees of $3,730 compared to the amounts for the third quarter of last year of $43 and $nil, respectively.

In the third quarter of last year, the Company incurred a loss of $31,134 associated with the discontinued operations of FTC Brazil, which was sold in December, 2020 and accordingly there was no comparable loss in the current quarter.

As a result, the Company incurred a net loss in the amount of $162,956 or $0.01 per share for the three months ended September 30, 2021, compared to a loss of $26,370 or $0.01 per share for the third quarter of last year.

Results of Operations for the Nine Months Ended September 30, 2021:

During the nine months ended September 30, 2021, the Company incurred accounting and audit fees of $14,237, compared to $3,100 for the first nine months of last year. Consulting, director and management fees of $156,000 and legal fees of $144,888 were incurred in the current period, both primarily related to the proposed transaction with Beyond Oil, compared to the $63,980 and $53,119 incurred respectively during the first nine months of last year. The Company incurred foreign exchange expense of $1,451 during the first nine months of 2021, compared to $5,062 for the same period of last year. During the first nine months of this year, the Company incurred office and miscellaneous expenses of $459 and transfer agent and filing fees of $11,568 compared to the amounts for the first nine months of last year of $1,264 and $2,196, respectively.

In the first nine months of last year, the Company incurred a loss of $81,053 associated with the discontinued operations of FTC Brazil, which was sold in December, 2020 and accordingly there was no comparable loss in the current year.

As a result, the Company incurred a net loss in the amount of $328,603 or $0.04 per share for the nine months ended September 30, 2021, compared to a loss of $209,774 or $0.06 per share for the first nine months of last year.

(Expressed in Canadian dollars)

Selected Annual Financial Information:

		For the Year Ended December 31, 2020		For the Year Ended December 31, 2019		For the Year Ended December 31, 2018
Total revenues	$	Nil		6,000		339,000
Income (loss) before discontinued operations and extraordinary items:						
(i) total for the year	$	540,000	$	(80,000)	$	(2,537,000)
(ii) income (loss) per share – basic		0.15		(0.02)		(0.72)
(ii) income (loss) per share – diluted		0.15		(0.02)		(0.72)
Net income (loss):						
(i) total for the year	$	540,000	$	(80,000)	$	(2,537,000)
(ii) income (loss) per share – basic		0.15		(0.02)		(0.72)
(ii) income (loss) per share – diluted		0.15		(0.02)		(0.72)
Total assets	$	66,000	$	8,069,000	$	1,122,000
Total long-term financial liabilities		-		-		-
Cash dividends declared per-share		-		-		-

Selected Quarterly Financial Information:

	Revenues	Income (Loss) for the period	Income (Loss) per share
3rd Quarter ended September 30, 2021	Nil	($162,956)	($0.01)
2nd Quarter ended June 30, 2021	Nil	($142,049)	($0.03)
1st Quarter ended March 31, 2021	Nil	($23,598)	($0.01)
4th Quarter ended December 31, 2020	Nil	$668,000	$0.19
3rd Quarter ended September 30, 2020	Nil	$8,000	$0.00
2nd Quarter ended June 30, 2020	Nil	($1,000)	($0.00)
1st Quarter ended March 31, 2020	Nil	($135,000)	($0.04)
4th Quarter ended December 31, 2019	Nil	$489,000	$0.14

In the fourth quarter of 2020, the Company continued with minimal administrative costs of $33,000 and a declining working capital position while it identified new opportunities to sustain its operations into the future. However, in the quarter, the Company received shareholder approval to sell its wholly-owed Brazilian subsidiary to its major shareholder and realized a gain arising from releases of indebtedness, which resulted in a profit for the fourth quarter of $668,000 or $0.19 per share.

Outstanding Share Data:

Authorized: Unlimited number of common shares without par value.

On May 21, 2021, the Company completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares.

On June 22, 2021, the Company closed a non-brokered private placement of 12,000,000 common shares, at a price of $0.05 per share, for gross proceeds of $600,000. The Company incurred cash share issuance costs of $965.

Outstanding Share Data (continued):

On November 5, 2021, the Company closed a non-brokered private placement of 1,528,000 common shares, at a price of $0.50 per share, for gross proceeds of $764,000. During the period ended September 30, 2021, the Company received $30,000 for subscriptions to the private placement.

On November 26, 2021, the Company closed a non-brokered private placement of 972,000 common shares, at a price of $0.50 per share, for gross proceeds of $486,000.

As at November 29, 2021, the Company had 18,035,101 common shares outstanding.

Stock Options:

On September 26, 2021, the Company adopted a stock option plan (the "Stock Option Plan"). The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. The Stock Option Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the closing market price of Common Shares on: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession

On November 8, 2021, the Company granted 975,000 stock options to certain directors, officers and consultants. The options have an exercise price of $0.50 per share and an expiry date of November 8, 2031. All of the options vested immediately. As at November 29, 2021, the Company had 975,000 stock options outstanding.

Liquidity:

The Company ensures that there is sufficient capital in order to meet its business requirements, after taking into account administrative and due diligence expenses. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

The operating loss for the nine months of $328,603, after adjustments for non-cash items and changes in other working capital balances, resulted in a net decrease in cash from operating activities amounting to $213,087.

In July 2021, the Company advanced a Seed Loan to Beyond Oil in the amount of US$50,000 ($63,760).

During the nine months ended September 30, 2021, the Company closed a non-brokered private placement of 12,000,000 common shares, at a price of $0.05 per share, for gross proceeds of $600,000. The Company incurred cash share issuance costs of $965. During this period, the Company also received shares subscriptions of $30,000 for the bridge financing which closed in November.

Consequently, the Company's cash position increased from the opening level of $65,369 at the beginning of the period to $417,557 as at September 30, 2021.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto.

As at November 29, 2021, the Company had cash of $738,785.

(Expressed in Canadian dollars)

Corporate Summary:

There has been volatility in the stock markets, which may raise questions about the Company's ability to raise new capital and thereby sustain its operations. There is no certainty that the Company will continue to be successful in its efforts to raise new capital, which would cause the Company to reconsider its viability as a going concern at that time and how best to sustain a reduced level of operations, pending a return to better market conditions when a financing could be completed.

Capital Resources:

The Company considers its capital structure to be shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company is unable to finance its operations from cash flow, the Company expects to rely primarily on equity financings to meet its capital requirements in the future.

There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

Related Party Transactions:

The Company considers its officers and directors to be key management personnel.

During the nine months ended September 30, 2021 and 2020, the Company's transactions with related parties are as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	$	$
A company controlled by the CEO (director fees)	7,250	-
CFO (management fees)	4,000	-
An independent director (director fees)	4,000	-
Corporate Secretary (management fees)	5,750	-
Total	21,000	-

As at September 30, 2021 and December 31, 2020, the Company had the following amounts owed to related parties.

	September 30, 2021	December 31, 2020
	$	$
A company controlled by the CEO	7,613	-
CFO	4,200	-
An independent director	4,200	-
Corporate Secretary	750	-
Total	16,763	-

(Expressed in Canadian dollars)

Off Balance Sheet Arrangements:

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity or any obligation under derivative instruments. Nor has the Company engaged in any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

Financial Instruments and Capital Risk Management:

Fair Values

The Company's financial instruments consist of cash and accounts payable, the fair values of which approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments as at September 30, 2021:

	Category	$
Cash	FVTPL	417,557
Loans receivable	Amortized cost	63,705
Accounts payable	Amortized cost	149,967

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices), and
Level 3 – Inputs that are not based on observable market date

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	417,557	-	-	417,557

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places cash with high credit quality financial institutions. As at September 30, 2021, the maximum amount of credit risk the Company is exposed to through its financial assets is $63,705.

Financial Instruments and Capital Risk Management (continued):

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 2). The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company requires financing to meet its short-term obligations to support operations.

Liquidity Risk (continued)

The Company monitors its ability to meet its short-term expenditures for the identification, evaluation and acquisition of assets of a business by raising additional funds through share issuance when required. The following are the contractual maturities of financial liabilities as at September 30, 2021:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years	Over 3 years
	$	$	$	$	$	$
Accounts payable	149,967	149,967	149,967	-	-	-

Forward Looking Statements:

This MD&A and other public announcements by the Company may contain information that is forward looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Company's future financial performance, business strategy, plans, goals, and objectives. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. In particular, forward-looking statements included in this MD&A include, but are not limited to, the focus of capital expenditures; expectations regarding the ability to raise capital and to identify and evaluate business and assets with a view to complete a Qualifying Transaction; timing of adoption and implementation of new accounting policies and timing of payment of dividends.

These statements involve known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, among other things: the ability of the Company to successfully implements its strategic initiatives and whether such strategic initiatives will yield the expected benefits; changes to the laws, rules, and regulations applicable to the Company; unavailability of financing; changes in government regulation; general economic conditions; general business conditions; escalating professional fees; escalating transaction costs and the failure to successfully complete a Qualifying Transaction.

With respect to forward-looking statements contained in this MD&A, the Company has made assumptions regarding: timing and amount of capital expenditures; future exchange rates; conditions in general economic and financial markets; availability of potential business assets required to complete a Qualifying Transaction; effects of regulation by governmental agencies and future operating costs.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide shareholders with a more complete perspective on the Company's future outlook and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive.

Forward Looking Statements (continued):

The Company does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as expressly required by applicable securities laws. Readers are cautioned not to place undue reliance on forward-looking statements, which are effective only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Additional Information:

Additional information relating to the Company may be accessed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

EXHIBIT B

AUDIT COMMITTEE CHARTER

FTC CARDS INC.
(the "Company")

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each audit committee member must obtain an understanding of the principal responsibilities of audit committee membership as well and the Company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the audit committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

(a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about audit committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the audit committee; and

(c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

(a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

(b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

(c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

(a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and

(b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

(c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

(a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;

(b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(d) consider management's handling of proposed audit adjustments identified by the external auditors; and

(e) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

(a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

(c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

(i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

(ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the company's operations and financing practices;

(iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions;

(vi) the Company's financial and operating controls are functioning effectively;

(vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

(a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and

(c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

(a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.

EXHIBIT C

FINANCIAL STATEMENTS OF BEYOND OIL ISRAEL AND MANAGEMENT'S DISCUSSION ANALYSIS

Beyond Oil Ltd.

Financial Statements

For the Year ended December 31, 2020

Expressed in U.S. dollars

Beyond Oil Ltd.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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Independent Auditors' Report
To the Shareholders of Beyond Oil Ltd

Opinion

We have audited the financial statements of Beyond Oil Ltd (the "Company"), which comprise the statements of financial position as of December 31, 2020, and December 31, 2019, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1B to the financial statements. The Company incurred losses from operations since its inception, and as of December 31, 2020, the Company has an accumulated deficit of $5,529 thousand. In addition, the Company generated negative cash flows from operating activities of $387 thousand and a loss in the amount of $3,285 thousand for the year ended December 31, 2020, As stated in Note 1B, these events and conditions, along with other matters as set forth in Note 1B, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information contained in the Management's Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Tel-Aviv, Israel

Ziv haft

Certified Public Accountants (Isr.)

BDO Member Firm

Beyond Oil Ltd.

Statements of Financial Position

U.S. dollars

	Note	December 31, 2020	December 31, 2019
Assets			
Current			
Cash and cash equivalents	12	$ 486,032	$ 546,443
Restricted deposit		1,474	1,152
Other accounts receivable	4	40,470	54,664
Total current assets		527,976	602,259
Non-current			
Lease asset, net	7	97,297	113,286
Intangible asset, net	6	4,264,051	6,125,856
Property and equipment, net	5	187,494	189,692
Total non-current assets		4,548,842	6,428,834
Total assets		$ 5,076,818	$ 7,031,093
Liabilities			
Current liabilities			
Trade accounts payable		$ 29,302	$ 29,310
Other accounts payable	9	33,385	17,641
Related Party	14	112,352	77,338
Derivative liability – Warrants and Options	8	725	-
Advanced payment	15	94,232	87,661
Total current liabilities		269,996	211,950
Non-current liabilities			
Related Party - Employee benefit plan	14	719,285	235,098
Preferred shares liability	10	399,275	-
Lease liability	7	110,103	120,599
Total non-current liabilities		1,228,663	355,697
Shareholders' equity			
Share capital and premium	10	1,129,271	1,026,086
Reserve from share-based compensation transactions	11	7,203,835	7,199,364
Foreign currency translation reserve		774,345	482,555
Accumulated deficit		(5,529,292)	(2,244,559)
Total Shareholders' equity		3,578,159	6,463,446
Total Liabilities and Shareholders' equity		$ 5,076,818	$ 7,031,093

Going Concern (Note 1B)

Date of approval of the financial statements	Director	CEO and Director

The accompanying notes are an integral part of the financial statements.

Beyond Oil Ltd.
Statements of Comprehensive Loss
U.S. dollars

	Note	Year ended December 31, 2020	2019
Revenues	15	$ -	$ 59,304
Cost of revenues		-	(3,683)
Gross profit		-	55,621
Operating expenses			
Research and development expenses	16	(219,108)	(212,363)
General and administrative expenses	17	(1,186,267)	(1,004,828)
Impairment loss	6	(1,865,884)	-
Total operating expenses		(3,271,259)	(1,217,191)
Loss from operations		(3,271,259)	(1,161,570)
Finance expenses	18	(13,474)	(9,653)
Net loss before tax		(3,284,733)	(1,171,223)
Income tax	12	-	-
Net loss		(3,284,733)	(1,171,223)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Translation adjustment to the presentation currency		291,790	514,172
Total comprehensive loss		$ (2,992,943)	$ (657,051)
Basic and Diluted loss per share		(1.27)	(0.48)
Weighted Average Number of Shares Outstanding		2,584,936	2,431,007

The accompanying notes are an integral part of the financial statements.

Beyond Oil Ltd.

Statements of Changes in shareholders' Equity

U.S. dollars

	Note	Share Capital And Premium	Reserve from share-based compensation transactions	Accumulated deficit	Foreign currency translation reserve	Total
Balance, January 1, 2019		$ 256,086	$ 6,992,350	$ (1,073,336)	$ (31,617)	$ 6,143,483
Comprehensive Income (loss) for the year						
Loss		-	-	(1,171,223)	-	(1,171,223)
Other Comprehensive Income for the year		-	-	-	514,172	514,172
Total comprehensive Income (loss) for the year		-	-	(1,171,223)	514,172	(657,051)
Issuance of shares- private placement, net	**10**	770,000	-	-	-	770,000
Share based compensation		-	207,014	-	-	207,014
Balance, December 31, 2019		$ 1,026,086	$ 7,199,364	$ (2,244,559)	$ 482,555	$ 6,463,446
Comprehensive Income (loss) for the year						
Loss		-	-	(3,284,733)	-	(3,284,733)
Other Comprehensive Income for the year		-	-	-	291,790	291,790
Total comprehensive Income (loss) for the year		-	-	(3,284,733)	291,790	(2,992,943)
Exercise of options	**11**	103,185	(103,185)	-	-	-
Share based compensation	**11**	-	107,656	-	-	107,656
Balance, December 31, 2020		$ 1,129,271	$ 7,203,835	$ (5,529,292)	$ 774,345	$ 3,578,159

The accompanying notes are an integral part of the financial statements.

Beyond Oil Ltd.

Statements of Cash Flows

U.S. dollars

	Note	Year ended December 31, 2020	2019
Cash flows from operating activities:			
Net loss for the year		$ (3,284,733)	$ (1,171,223)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization		379,334	334,963
Impairment of asset	6	1,865,884	-
Finance expense, net		27,043	8,907
Share based compensation		107,656	207,014
Changes in operations assets and liabilities:			
Change in related party transactions		501,538	255,440
Change in other accounts receivables		39,868	(53,003)
Change in other advanced payment		-	84,996
Changes in trade payables and other trade payables		(11,242)	45,523
Cash used in operations		(374,652)	(287,383)
Interest paid		(12,293)	(8,907)
Net cash used in operating activities		(386,945)	(296,290)
Cash flow from investing activities:			
Restricted deposits		(220)	(1,117)
Payment to a related party for intangible asset		(54,000)	-
Purchase of property and equipment		(17,808)	(193,793)
Net cash used in investing activities		(72,028)	(194,910)
Cash flow from financing activities			
Payments of lease liabilities		(17,475)	(8,224)
Net proceeds from issuance of shares- private placement, net	10	-	770,000
Net proceeds from issuance of units of securities, net	10	385,250	-
Net cash provided by financing activities		367,775	761,776
Translation differences on cash and cash equivalents		30,787	25,867
Increase (decrease) in cash and cash equivalents		(91,198)	270,576
Cash and cash equivalents at the beginning of the year		546,443	250,000
Cash at the end of the year		$ 486,032	$ 546,443
Significant non-cash transactions:			
Increase in intangible asset		20,000	54,000
Right-of-use asset recognized with a corresponding lease liability		-	123,497

The accompanying notes are an integral part of the financial statements.

NOTE 1- GENERAL:

A. Formation of the Company, Merger transaction and Description of business:

Formation of the Company

Beyond Oil Ltd. (the "Company") was incorporated under the Business Corporations Act of Israel on November 25, 2018, and commenced its operations in January 2019. The registered address of the company is Kibbutz Yifat 3658300, Israel.

Description of Business

The Company is a food-tech company that has developed a solution to reduce free fatty acid from oil while preserving the oil's quality and nutritional values. The Company develops products that extend the usable life of frying oil, improves food quality, and reduce frying oil costs.

On the formation date of the Company, the Company received the rights to use the intangible asset from a related party of the Company. For additional information please see note 6.

B. Going concern:

As of December 31, 2020, the Company incurred losses from operations since its inception and as of December 31, 2020, the Company has an accumulated deficit of $5,529,292. In addition, the Company generated negative cash flows from operating activities of $386,945 and a loss in the amount of $3,284,733 thousand for the year ended December 31, 2020. As of the date of the issuance of these financial statements, the Company has not yet commenced generating significant sales, and therefore depends on fundraising from new and existing investors to finance its activities. These factors create material uncertainties that may create substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

C. COVID-19:

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including finalizing the implementation of research and development processes of the Company, which also affected a marketing agreement with a new distributor in early 2020. The Company has already implemented a number of precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, and potential clients and partners, which may adversely impact the Company’s productivity from an R&D perspective and its business in the supply chain sector. The Company is also fully compliant with local rules and regulations instituted during COVID 19 and understands that mandatory or voluntary self-quarantines may limit the staffing at the Company’s facility which will have a further impact on productivity. Management continues to be fully engaged in assessing the impact of COVID-19 and adjusting its operations accordingly to minimize the impact on business performance.

Amidst this highly challenging operating environment, the Company believes that COVID-19, has had an effect on its business, mainly from sales and development of the Company, see also note 15, due to the fact that the company could not convene or attend meetings abroad and complete some marketing and sale transactions. During part of the COVID 19 period, the employees of the company were on unpaid vacation.

NOTE 2- Significant accounting policies:

The following accounting policies have been applied consistently in the financial statements for all periods presented, unless otherwise stated.

a. Basis of preparation:

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared on a historical cost basis, except for the following items:

- Financial instruments – fair value through profit or loss
- share based compensation
- Intangible asset.

b. Estimates and assumptions:

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenue, and expenses. These estimates and underlying assumptions are reviewed regularly. Changes in accounting estimates are reported in the period of the change.

The key assumptions made in the financial statements concerning uncertainties at the end of the reporting period and the critical estimates used by the Company that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in Note 3.

c. Functional and presentation currency:

The functional currency of the Company is new Israeli Shekel (NIS), and the presentation currency of the financial statements is the U.S. dollar.
The financial statements are presented in USD since the Company believes that financial statements in USD provide more relevant information to the users of the financial statements who are located in Israel.
Assets and liabilities are translated at the closing exchange rate at each reporting date. Profit or loss items are translated at average exchange rates for all periods presented. The resulting translation differences are recognized in other comprehensive loss.

d. Foreign currency transactions:

Transactions denominated in foreign currency (other than the functional currency) are recognized on initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences are recognized in profit or loss. Non-monetary assets and liabilities measured at cost are translated at the exchange rate as of the date of the transaction.

e. Cash equivalents:

Cash equivalents are considered by the Company to be highly liquid investments, including, short-term deposits with banks and the maturity of which do not exceed three months at the time of deposit, and which are not restricted.

NOTE 2- Significant accounting policies (continued):

f. Impairment of non-financial assets:

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of a non-financial asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to dispose), the asset is written down and an impairment charge is recognized accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e., the smallest unit of assets to which the asset belongs that generates cash inflow that is largely independent of cash inflows from other assets).

During the year, ended December 31, 2019, no impairment charges of non-financial assets were recognized.

At the end of December 31, 2020, the Company recognized an impairment loss of $1.9M. Please see note 6.

g. Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or

2. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

<u>Classification of fair value hierarchy</u>

The financial instruments presented in the statements of financial position at fair value are grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Level 3 - Inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

NOTE 2- Significant accounting policies (continued):

h. Financial instruments:

1. Financial assets:

The Company classifies its financial assets based on the business model for managing the financial asset and its contractual cash flow characteristics. The Company's accounting policy for the relevant category is as follows:

Amortized cost

These assets arise principally from the provision of goods (e.g., trade accounts receivable), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

2. Financial Liabilities:

The Company classifies its financial liabilities into one of the following categories:

Amortized cost

These liabilities include accounts payable, accrued liabilities, which are initially recognized at fair value plus transaction costs that are directly attributable to the issue of the instrument and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss (preferred shares liability) and derivatives (derivative liability – warrants and options).

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

2. Issue of a unit of securities:

The issue of a unit of securities involves the allocation of the proceeds received (before issue expenses) to the securities issued in the unit based on the following order: financial derivatives and other financial instruments measured at fair value in each period. Then the fair value is determined for financial liabilities that are measured at amortized cost. The proceeds allocated to equity instruments are determined to be the residual amount. Issue costs are allocated to each component pro-rata to the amounts determined for each component in the unit.

3. Derivative liability – Warrants and Options:

Warrants and options that are denominated in a currency other than the functional currency of the Company are considered a derivative liability and are classified as financial liabilities at fair value through profit or loss. Accordingly, warrants and options are measured at fair value and the changes in fair value in each reporting period are recognized in profit or loss.

NOTE 2- Significant accounting policies (continued):

4. Derecognition:

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the rights to receive the contractual cash flows are transferred.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statements of profit or loss.

The terms of a financial liability are substantially different if the discounted cash flows under the new terms are at least 10 per cent different from the discounted remaining cash flows of the original financial liability.

i. Share-based compensation:

Where equity settled share options are awarded to employees, the fair value of the options calculated at the grant date is charged to the statements of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense charged is not adjusted for failure to achieve a market vesting condition.
For share-based compensation transactions for non-employee parties settled in equity instruments, the value of the transaction is measured with reference to the fair value of the goods and / or services received. If the Company is unable to fairly measure the fair value of the goods or services received, fair value is measured in relation to the fair value of the equity instruments granted.

j. Research and Development:

Research Costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

During the years ended December 2020 and 2019, the Company did not meet these criteria, therefore all research and development expenditures were expensed as incurred in the following criteria therefore all research and development recognized as expenses.

NOTE 2- Significant accounting policies (continued):

k. Government grants

Government grants are recognized when there is reasonable assurance that the grants will be received, and the Company will comply with the attached conditions.

Grants for revenue expenditure are netted against the cost incurred by the Company.

l. Property, plant, and equipment:

Property, plant, and equipment are measured at cost, including directly attributable costs, less accumulated depreciation, accumulated impairment losses and any related investment grants and excluding day-to-day servicing expenses. Cost includes spare parts and auxiliary equipment that are used in connection with the plant and equipment.

A part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately using the component method.

The cost of an item of property, plant and equipment comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which the item is located.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%
Computers and others	33
Furniture and office equipment	7
Leasehold improvements	10-30
Laboratory equipment	10-15

Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including the extension option held by the Company and intended to be exercised) and the expected life of the improvement.

The useful life, depreciation method, and residual value of an asset are reviewed at least each year-end, and any changes are accounted for prospectively as a change in accounting estimate. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

m. Intangible assets

An intangible asset is initially recognized, at the date of acquisition, at the cost paid. Variable payments are not included in the carrying amount of the asset at acquisition, and no liability is recognized for the contingent consideration. The Company capitalize the variable payments as part of the cost of the asset when paid, on the basis that these payments represent the direct cost of acquisition.
Intangible assets are initially amortized on a straight-line basis over their 20 years of useful economic lives.

n. Revenue recognition:

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenues from the sale of goods are recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery of the product.

NOTE 2- Significant accounting policies (continued):

o. Severance pay:

The Company's liability for its Israeli employees regarding severance pay is pursuant to Section 14 of the Israeli severance pay law ("Section 14"). All the Israeli employees are included under this section, and entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in the employee's name with insurance companies. Payments in accordance with Section 14 release the Company from any future severance payments in respect of those employees. The fund is made available to the employee at the time the employer-employee relationship is terminated, regardless of the cause of termination. The severance pay liabilities and deposits under Section 14 are not reflected in the balance sheet as the severance pay risks have been irrevocably transferred to the severance funds.

The Company also operates a defined benefit plan in respect of termination benefit pay pursuant to an agreement in case of termination of the agreement by each side. The liability for termination of employment is measured using the projected unit credit method. The actuarial assumptions include expected salary increases and rates of employee turnover based on the estimated timing of payment. The amounts are presented based on discounted expected future cash flows using a discount rate determined by reference to market yields at the reporting date on high quality corporate bonds that are linked to the Consumer Price Index with a term that is consistent with the estimated term of the severance pay obligation.

Remeasurements of the net liability are recognized in other comprehensive income in the period in which they occur.

p. Provisions:

The Company has recognized provisions for liabilities of uncertain timing or amount including those for onerous leases, warranty claims, leasehold dilapidations, and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

q. Leases:

Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of right-of-use assets comprises the amount of the initial measurement of the lease liability; lease payments made at or before the commencement date less any lease incentives received; and initial direct costs incurred. The recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. The right-of-use assets are presented within property, plant and equipment.

Lease liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that

NOTE 2- Significant accounting policies (continued):

depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the

Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

Lease term:

The term of a lease is determined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with (i) the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Depreciation of a right-of-use asset:

Subsequent to the inception of the lease, a right-of-use asset is measured using the cost method, less accumulated depreciation and accumulated impairment losses, and is adjusted for re-measurements of the lease liability. Depreciation is measured using the straight-line method over the useful life or contractual lease term, whichever ends earlier.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset, until the carrying amount is reduced to zero.

r. Issuance costs:

The Company allocated the incremental costs that were directly attributable to issuing new shares to equity (net of any income tax benefit) or are otherwise not incremental and directly attributable to issuing new shares, were recognized as an expense in the statement of comprehensive income.

s. New standards, interpretations, and amendments not yet effective

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IAS1 - Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that ‘settlement’ includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Company is currently evaluating the impact of IAS 1 amendments, however, at this stage, it is unable to assess such impact.

NOTE 3- Critical accounting estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Derivative liability - Warrants

The Company uses the Black-Scholes option-pricing model to estimate the fair value of the warrants at each reporting date. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the warrants.

b. Determining the fair value of share-based payment transactions:

The fair value of share-based payment transactions is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price, exercise price, and assumptions regarding expected volatility, expected life of share option, and expected dividend yield.

NOTE 4 – Other accounts receivables:

	December 31,	
	2020	**2019**
Government institutions	$ 13,943	$ 26,760
Prepaid expenses	26,527	27,904
	$ 40,470	$ 54,664

(U.S. dollars)

NOTE 5 – Property, Plant and Equipment, net:

	Vehicles	Furniture and office equipment	Leasehold improvements	Computers	Total
Cost:					
As of January 1, 2019	$ -	$ -	$ -	$ -	$ -
Additions	46,362	81,331	48,683	17,416	193,792
Currency exchange	1,453	2,549	1,527	546	6,075
As of December 31, 2019	**47,815**	**83,880**	**50,210**	**17,962**	**199,867**
Additions	-	5,374	3,783	8,652	17,809
Currency exchange	3,585	6,659	4,024	1,942	16,210
As of December 31, 2020	**51,400**	**95,913**	**58,017**	**28,556**	**233,886**
Accumulated depreciation:					
As of January 1, 2019	-	-	-	-	-
Additions	1,121	3,155	2,641	2,949	9,866
Currency exchange	35	99	83	91	308
As of December 31, 2019	**1,156**	**3,254**	**2,724**	**3,041**	**10,174**
Additions	7,213	11,573	5,361	9,019	33,166
Currency exchange	585	1,043	573	851	3,052
As of December 31, 2020	**8,954**	**15,870**	**8,658**	**12,910**	**46,392**
Net Book Value:					
As of December 31, 2020	**$ 42,446**	**$ 80,043**	**$ 49,359**	**$ 15,646**	**$ 187,494**
As of December 31, 2019	**$ 46,659**	**$ 80,626**	**$ 47,485**	**$ 14,922**	**$ 189,692**

(U.S. dollars)

NOTE 6 – Intangible asset:

		Intellectual property
Cost:		
As of January 1, 2019	$	5,893,483
Additions		54,000
Currency exchange		497,944
As of December 31, 2019		**6,445,427**
Additions		20,000
Currency exchange		483,157
As of December 31, 2020		**6,948,584**
Accumulated depreciation:		
As of January 1, 2019		-
Additions		309,858
Currency exchange		9,713
As of December 31, 2019		**319,571**
Additions		324,077
Impairment loss		1,865,884
Currency exchange		175,001
As of December 31, 2020		**2,684,533**
Net Book Value:		
As of December 31, 2020	**$**	**4,264,051**
As of December 31, 2019	**$**	**6,125,856**

At the incorporation date of the Company, the Company entered into an agreement with Mr. Pinhas Or ("Pinhas"), then the main shareholder of the Company, to assign all of his rights in and to the intellectual property related to the technology developed for of reducing the degree of acidity in edible oils, including all patent applications and trade secrets (the "IP Assignment Agreement"). As consideration for the transfer of such rights the Company agreed to pay Pinhas a royalty of 5% on all amounts received from the issuance of licenses for use /franchises, from the sale of the formula powder to the use of sub-license recipients worldwide, from making exit, fund raisings after deducting customs, fees and other direct taxes levied on the products or services provided and paid by Pinhas directly. Also, at the incorporation date of the Company, and in accordance with the terms of the Founders' Agreement, the Company issued 1,930,000 ordinary shares to Pinhas as additional consideration for the intellectual property rights transferred under the IP Assignment Agreement.

The royalty was recognized as an asset of the Company as subsequent changes in the contingent consideration liability or subsequent payments are capitalized when incurred. For additional information for the amendment to the agreement, please see note 14(1).

The Company cannot measure fairly the fair value of the received asset. The fair value of the asset was measured according to the fair value of the equity instruments issued. The fair value of the shares was determined based on the price at which shares were issued in a private placement in December 2018. The useful economical life of the intangible asset is 20 years.

(U.S. dollars)

NOTE 6 – Intangible asset (Continued):

As of 31 December 2020, the fair value of the Company was below the book value of the Company's equity, indicating an impairment of the asset. The fair value of the Company was based on the Black-Scholes based structural model and derived from the preferred shares investment valuation (see note 10h),. The following assumptions were used to estimate the fair value: Expected volatility 50%, risk-free interest rate 0.14%. The Company recognized an impairment loss of $1.865M.

NOTE 7 – Leases:

a) The Company's lease arrangement for office space in Kibbutz Yifat, Israel commenced in February 2019 and ends in October 2024. According to the terms of this agreement, the Company has an option to extend the term for six additional years. The annual lease commitment is approximately NIS41,025 (approximately $12,761). The incremental borrowing rate is 10.57%.

b) The Company's lease arrangement for factory space in Migdal Haemek, Israel commenced in November 2019 and ends in March 2025. According to the terms of this agreement, the Company has an extension option for two additional years for all the Company's space at this location. The annual lease commitment is approximately NIS72,000 (approximately $22,395). The incremental borrowing rate is 11.83%.

Lease liabilities		**Year ended December 31**		
		2020		**2019**
Interest expense	$	12,293	$	8,907
Total cash outflow for leases		29,768		17,131

NOTE 8 - Derivative liability – Warrants and Options:

(i) A summary of changes in share purchase warrants issued by the Company during the years ended December 31, 2020, and 2019 is as follows:

	Number of Warrants and Options	**Weighted Average Exercise Price ($)**
Balance, December 31, 2019	**-**	**-**
Issuance of warrants	31,694	6.31
Issuance of options	47,541	6.31
Balance, December 31, 2020	**79,235**	**6.31**

(ii) On September 9, 2020, as a part of the issuance of a unit of securities (see additional information on note 10h), the Company granted 31,694 warrants to purchase ordinary shares of the Company and 47,541 options to purchase preferred shares of the Company. These warrants were granted by extending the expiry date of the earlier to occur of: (a) the lapse of 24 months following the issue date; (b) an IPO; or (c) a sale event of the Company.

NOTE 8 - Derivative liability – Warrants and Options (continued):

The following table summarizes information about warrants outstanding as at December 31, 2020:

Date of issuance	Date of expiry	Exercise price	Exercisable at December 31, 2020
September 9, 2020	September 8, 2022	$ 6.31	31,694

As the warrants and options issued by the Company have an exercise price denominated in US dollars, which differs from the Company's functional currency, they do not qualify for classification as equity. These warrants and options have been classified as a derivative warrant and option liability and are recorded initially at the fair value and revalued at each reporting date, using the Black-Scholes valuation method. Changes in fair value for each period are included in the comprehensive profit and loss for the period.

(i) The Company uses the Black-Scholes based structural model to estimate the fair value of the derivative warrants and options liability at the end of each reporting period.
(ii) The following assumptions were used to estimate the fair value of the derivative warrants and options liability:

	At Issuance Date September 9, 2020	December 31, 2020
Expected life of warrants and options	2 years	1.69 year
Expected volatility	50%	50%
Expected dividend yield	0%	0%
Risk-free interest rate	0.14%	0.14%
Exercise price	$6.31	$6.31

The Company considers the expected volatility of the shares of comparable companies and that of its common shares in estimating its future stock price volatility. The risk-free interest rate for the expected life of the options was based on the yield available on US dollar government benchmark bonds with an approximate equivalent remaining term at the time of the grant. The expected term of an option and warrant is based on the contractual term.

For additional information about the allocation agreement signed for the warrants and options transaction, please see note 20.

NOTE 9 – Other accounts payable:

	December 31, 2020	December 31, 2019
Employees	$ 24,326	$ -
Accrued expenses	9,059	17,641
	$ 33,385	$ 17,641

(U.S. dollars)

NOTE 10 - Share Capital and Premium:

	Number of shares			
	December 31, 2020		December 31, 2019	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
Ordinary shares with 0.01NIS	9,889,071	2,635,706	10,000,000	2,541,747
Preferred shares with 0.01NIS (see h)	110,929	63,388	-	-

Ordinary Shares:

Ordinary Shares confer upon their holders, the right to receive notice of, and to participate in, all general meetings of the Company, to vote in such meetings, to receive dividends, and to participate in the distribution of the surplus assets of the Company in the event of liquidation of the Company.

Movements in ordinary shares:

	Number of shares
Balance as of January 1, 2019	2,352,188
Private Placement Financing (see a)	16,274
Private Placement Financing and anti-dilution adjustment (see b)	106,434
Private Placement Financing (see c)	19,608
Private Placement Financing (see d)	12,847
Private Placement Financing and anti-dilution adjustment (see e)	34,396
Balance as of December 31, 2019	**2,541,747**
Exercise of options and anti-dilution adjustment (see f)	93,959
Balance as of December 31, 2020	**2,635,706**

a. On February 8, 2019, the Company completed a private placement financing by issuing 16,274 ordinary shares at a price of $3.07 per share for gross proceeds of $50,000. The increase in share capital is $50,000. The rights attached to these shares include anti-dilution protection until the Company completes additional financing raising gross proceeds of $2,000,000.

b. On July 1, 2019, the Company completed a private placement financing by issuing 101,922 ordinary shares at a price of $3.24 per share for gross proceeds of $330,000. The increase in share capital is $330,000. The rights attached to these shares include anti-dilution protection until the Company completes additional financing raising gross proceeds of $2,000,000.
As a result of the issuance, the Company issued an additional 4,512 ordinary shares pursuant to the anti-dilution rights of existing shareholders.

c. On September 11, 2019, the Company completed a private placement financing by issuing 19,608 ordinary shares at a price of $5.10 per share for gross proceeds of $100,000. The increase in share capital is $100,000. The rights attached to these shares include anti-dilution protection until the Company completes additional financing raising gross proceeds of $2,000,000.

d. On October 2, 2019, the Company completed a private placement financing by issuing 12,847 ordinary shares at a price of $7.01 per share for gross proceeds of $90,000. The increase in share capital is $90,000.

e. On December 12, 2019, the Company completed a private placement financing by issuing 28,704 ordinary shares at a price of $6.97 per share for gross proceeds of $200,000. The increase in share capital is $200,000. The rights attached to these shares include anti-dilution protection until the Company completes additional financing raising gross proceeds of $2,500,000. As a result of this issuance, the Company issued an additional 5,692 ordinary shares pursuant to the anti-dilution rights of existing shareholders.

NOTE 10 - Share Capital and Premium (continued):

f. On October 1, 2020, the Company issued 85,574 ordinary shares upon the exercise of options granted on the same day to a Company advisor. As a result of the issuance, the Company issued an additional 8,385 ordinary shares pursuant to the anti-dilution rights of existing shareholders. For more information, please see note 8a.

g. Some of the subscription agreements for ordinary shares granted purchasers (see a-c, e) anti-dilution protection. Additional shares issued to shareholders pursuant to anti-dilution rights are issued for no additional consideration. As of September 2021, all shareholders, except two shareholders agreed to terminate existing anti-dilution rights.

h. On September 9, 2020, the Company completed a private placement financing by issuing 63,388 preferred shares and 31,694 warrants at a price of $6.31 per share for gross proceeds of $400,000 (or $385,000 net of issuance costs) to two investors (the "Investors"). Under the preferred share purchase agreement, the Investors will be issued an additional 47,541 preferred shares (the "Second Closing Shares") at the price of $6.31 per share for gross proceeds of $300,000, upon the Company achieving $500,000 of revenue, from sales of inventory and assets provided that each Investor is entitled, at any time to purchase its respective share of the Second Closing Shares upon notice to the Company.

i. Pursuant to the Company's Articles of Association the Company's preferred shares and/or Investors have the following rights attached to them: Special Majority: The Company shall not take certain actions without the consent of the Investors holding a majority of the Preferred Shares holders as long as they hold at least 1.75% of the Company's issued and outstanding share capital. Dividend payment preferences: As long as there is an Outstanding Preference (as defined below) and subject to the Israeli Companies Law, no later than 30 Business Days following the approval of the annual financial statements, the Company shall declare and pay a dividend to its preferred shareholders in the amount of 25% of the Company's annual sales revenue and if there is no Outstanding Preference the Company shall declare and pay a dividend in the amount of 50% of the accumulated profits legally available for distribution to the preferred Shareholders multiply by their relative holding in the company shares. The "Outstanding Preference" with respect to a Preferred Shares shall mean the difference between (i) the aggregate amounts previously received as Dividend Preference on account of the Preferred Shares, and (ii) the original issue Price thereof

   Conversion: Each Preferred Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable ordinary shares as is determined by dividing the original issue price of US $6.31 by the conversion price in effect at the time of conversion. In addition, all Preferred Shares shall be automatically converted into ordinary shares upon the earlier to occur of: (i) an IPO; and (ii) the written decision of the Investors holding a majority of the preferred shares.

   Liquidation preferences: In the event (i) of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, (ii) a merger, reorganization, or sale of the Company or all or substantially of its shares or assets, (iii) of any bankruptcy, insolvency or reorganization proceeding under any bankruptcy or insolvency or similar law, whether voluntary or involuntary, that is properly commenced against the Company and is not annulled or revoked within 90 days or is commenced by the Company, or (iv) appointment of a receiver or liquidator is appointed to all or substantially all of the Company's assets that are not withdrawn or vacated within 90 days (each, a "Liquidation"), then the assets or proceeds legally available for distribution to the Shareholders (the "Distributable Proceeds") shall be distributed among the Shareholders in the following order and preference:

NOTE 10 - Share Capital and Premium (continued):

1. Each Preferred Share shall be entitled to an amount equal to the greater of (i) any Outstanding Preference existing with respect to such Preferred Shares; and (ii) the amount that would have been received on account of such Preferred Shares upon distribution of the distributable proceeds among all Shareholders, on a pro-rata, as a converted basis (the "Distribution Preference"). In the event that the Distributable Proceeds shall be insufficient to pay the Distribution Preference in full, all Distributable Proceeds shall be distributed among the holders of Preferred Shares pro-rata.
2. Following payment in full of the Distribution Preference in respect of all Preferred Shares then outstanding, any and all remaining Distributable Proceeds shall be distributed among all Shareholders, pro-rata to the number of Ordinary Shares held thereby, excluding any Ordinary Shares issued upon the conversion of any Preferred Shares that participated in the distribution.

As the dividends payments preference represents, essentially, a redemption of the Preferred Shares, the Company classified the Preferred Shares entirely as liabilities, further, as the instrument contains an

embedded derivative, it has been designated at fair value through profit or loss on initial recognition and as such the embedded conversion feature is not separated. All transaction costs related to financial instruments designated as fair value through profit or loss are expensed as incurred.

Pursuant to the Allocation Agreement (see Note 20(4)), the holders of the Preferred Shares agreed to exchange their Preferred Shares for Payment Shares and Consideration Warrants oy, concurrently with the completion of the Transaction with FTC (See Note 20(3)).

(U.S. dollars)

NOTE 11 - Share-based compensation transactions:

a. On May 5, 2020, the Company's Board approved the adoption of Share Option Plan ("Plan") in accordance with Section 102 of the Israeli Income Tax Ordinances (New Version) 1961 as amended and in accordance with the Israeli Income Tax Rules (Tax Relief for Issuance of Shares to Employees) 2003 (collectively the "Section 102"), the Company elected, to nominate a trustee for the Plan. The Company's Board resolved to reserve from the Company's authorized but unissued share capital an aggregate of 149,345 ordinary shares for issuance under the Plan.

b. A summary of the activity of options granted to Plan is as follows:

	December 31, 2020		December 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		NIS		NIS
Options outstanding at beginning of the year	68,124	0.01	68,124	0.01
Changes during the period:				
Granted (See c-d)	89,292	0.01	-	-
Expired	(68,124)	-	-	-
exercise (See note 10f)	(85,584)	0.01	-	-
Options outstanding at end of period (*)	3,708	0.01	68,124	0.01
Options exercisable at period end	3,708		68,124	

(*) The options outstanding on December 31, 2020, had a weighted-average contractual life of 9.75 years.

The following table summarizes information about the options outstanding as of December 31, 2020:

Options Outstanding			Options Exercisable
Number Outstanding on December 31, 2020	Exercise Price	Expiry Date	on December 31, 2020
3,708	NIS 0.01	May 4, 2030	3,708
3,708			**3,708**

c. On November 25, 2018, the Company signed a consulting agreement with a consultant for professional services. In connection therewith the consultant is entitled to options equal to 3% of the Company’s outstanding ordinary shares at the price of NIS0.01 per share under the Plan. The options will vest over a 12-month period and will be expired 3 months after the vesting date.

d. On November 9, 2020, the Company granted an advisor 85,584 options to purchase the ordinary shares at a price of NIS0.01 per share under the Plan. The options were vested on the date of the grant.

e. On November 9, 2020, the Company granted an advisor 8,343 options to purchase ordinary shares at a price of NIS0.01 per share under the Plan. These options are subject to a vesting schedule as follows: (i) 3,708 options on September 9, 2020; (ii) 2,781 options, upon the Company, actually receiving revenue, from sales of inventory and assets performed bona fide and at arm’s length, in an aggregate amount of US$500,000 (net of VAT or applicable sales tax), an additional and (iii) 1,854 options, upon the exercise of warrants held by the Investor, please see note 10h.

(U.S. dollars)

NOTE 11 - Share-based compensation transactions (continued):

(i) The Company uses the Black-Scholes option pricing model to estimate the fair value of the options.
(ii) The following assumptions were used to estimate the fair value of the options:

	At Issuance Date November 25, 2018	At Issuance Date November 9, 2020
Expected life of options	1.33 years	5 years
Expected volatility	50%	50%
Expected dividend yield	0%	0%
Risk-free interest rate	0.14%	0.14%
Exercise price	NIS 0.01	NIS 0.01
Share price	$3.07	$1.206

The Company considers the expected volatility of the shares of comparable companies and its common shares in estimating its future stock price volatility. The risk-free interest rate for the expected life of the options was based on the yield available on US government benchmark bonds with an approximate equivalent remaining term at the time of the grant. The expected life is based on the contractual term of the option.

NOTE 12 - Income tax:

a. Tax rates: The corporate tax rate in Israel is 23% for 2019 and 2020.

b. Net operating losses carry forward:

As of December 31, 2020, the Company estimated carry forward tax losses of approximately $954 thousand, which may be carried forward and offset against taxable income for an indefinite period in the future. A deferred tax asset on the Company's losses was not recognized since it is not probable that taxable profit will be available in the foreseeable future.

c. Reconciliation of effective tax rate:

The adjustments for the difference between the actual tax charge for the year and the standard rate of corporate tax in Israel applied to profits for the year are as follows:

For the Year ended December 31,		**2020**		**2019**
Loss before income tax	$	(3,284,733)	$	(1,171,223)
Tax computed at the corporate rate in Israel – 23%		(755,489)		(269,381)
losses for which no deferred tax asset was recognized		755,489		269,381
Total income tax expense	**$**	**-**	**$**	**-**

(U.S. dollars)

NOTE 13 - Financial instruments and risk management:

The Company holds the following financial instruments:

Financial assets		**2020**		**2019**
Financial assets at amortized cost				
Cash And cash equivalents	$	486,032	$	546,443
Restricted cash		1,474		1,152
Other accounts receivables		40,470		54,664
		527,976		**602,259**

Financial liabilities		**2020**		**2019**
Financial liabilities at amortized cost				
Trade payables		29,302		29,310
Related Party		112,352		77,338
Lease liability		110,103		120,599
		251,757		**227,247**
Financial liabilities at fair value				
Preferred shares liability		399,275		-
Derivative liability – Warrants and Options		725		-
	$	**400,000**	**$**	**-**

The Company is exposed to a variety of financial risks, which result from its financing, operating, and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's financial performance and position. The Company's financial instruments are its cash, trade and other receivables, trade payables, and other liabilities. The main purpose of these financial instruments is to raise financing for the Company's operation. The Company actively measures, monitors, and manages its financial risk exposures by various functions pursuant to the segregation of duties and principals. The risks arising from the Company's financial instruments are mainly currency risk and liquidity risk. The Company has no interest rate risk as the cash balances exposed to interest is minimal. The risk management policies employed by the Company to manage these risks are discussed below.

a. Foreign currency risk:

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than its functional currency. The Company is exposed to currency risk to the extent that there is a mismatch between the currency in which it denominated and the functional currency of the Company.

The currencies in which some transactions are primarily denominated are NIS, US dollars, and Euro.

The Company's policy is not to enter into any economic hedging transactions to neutralize the effects of foreign currency fluctuations. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(U.S. dollars)

NOTE 13 - Financial instruments and risk management (continued):

	As of December 31, 2020			
Assets	**NIS**	**EURO**	**US dollar**	**Total**
Cash And cash equivalents	$ 485,163	$ 193	$ 676	$ 486,032
Restricted cash	1,474	-	-	1,474
Other accounts receivables	40,470	-	-	40,470
Lease asset	97,297	-	-	97,297
	624,404	**193**	**676**	**625,273**
Liabilities				
Accounts payable	29,302	-	-	29,302
Related Party	112,352	-	-	112,352
Advanced payment	-	94,232	-	94,232
Preferred shares liability	-	-	399,275	399,275
Lease liability	110,103	-	-	110,103
	$ 251,757	**$ 94,232**	**$ 399,275**	**$ 745,264**

	As of December 31, 2019			
Assets	**NIS**	**EURO**	**US dollar**	**Total**
Cash And cash equivalents	$ 545,635	$ 180	$ 628	$ 546,443
Restricted cash	1,152	-	-	1,152
Other accounts receivables	27,904	-	-	27,904
Lease asset	113,286	-	-	113,286
	687,977	**180**	**628**	**688,785**
Liabilities				
Accounts payable	29,310	-	-	29,310
Related Party	77,338	-	-	77,338
Advanced payment	-	87,661	-	87,661
Lease liability	120,599	-	-	120,599
	$ 227,247	**$ 87,661**	**$ -**	**$ 314,908**

(U.S. dollars)

NOTE 13 - Financial instruments and risk management (continued):

Analysis:

A 5% appreciation of the NIS against the following currencies would have increased (decreased) equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

For a 5% depreciation of the NIS against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

		December 31, 2020		December 31, 2019
Linked to EURO	$	(94,039)	$	(87,481)
		5%		5%
		(4,702)		(4,374)
Linked to USD		(398,599)		628
		5%		5%
	$	(19,930)	$	31

b. Liquidity risks:

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. For additional information about the ongoing concern of the Company, please see note 1B.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Company is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the repayment forecast of the management of the Company.

December 31, 2020:		**Cash outflows ($)**					
	Book value	**Less than one year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**> 5 years**	**Total**
Other receivables	40,470	40,470	-	-	-	-	40,470
Lease Liability	(110,103)	(32,659)	(32,938)	(33,818)	(32,138)	(6,160)	(137,713)
Preferred shares liability	(399,275)	-	-	-	-	(399,275)	(399,275)
Related Party	(831,637)	(112,352)	-	-	-	(719,285)	(831,637)
Accounts payable and accrued liabilities	(62,687)	(62,687)	-	-	-	-	(62,687)
Total	**(1,363,232)**	**(167,228)**	**(32,938)**	**(33,818)**	**(32,138)**	**(1,124,720)**	**(1,390,842)**

(U.S. dollars)

NOTE 13 - Financial instruments and risk management (continued):

December 31, 2019:	**Cash outflows ($)**						
	Book value	**Less than one year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**> 5 years**	**Total**
Other receivables	54,664	54,664	-	-	-	-	54,664
Lease Liability	(120,599)	(29,800)	(30,585)	(30,847)	(31,671)	(35,866)	(158,769)
Related Party	(312,436)	(77,338)	-	-	-	(235,098)	(312,436)
Accounts payable and accrued liabilities	(46,951)	(46,951)	-	-	-	-	(46,951)
Total	**(425,322)**	**(99,425)**	**(30,585)**	**(30,847)**	**(31,671)**	**(270,964)**	**(463,492)**

c. Fair value of financial assets and liabilities:

The fair value of the Company's current financial assets and liabilities approximates their carrying amounts as their maturity date is less than 1 year and they do not bear a fixed interest rate.
The following table summarizes the information about the level 3 fair value measurements:

December 31, 2020

Item	**Fair value**	**Valuation technique**	**Fair value hierarchy level**	**Significant unobservable inputs**
Derivative liability – Warrants and options	725	Black-Scholes model	level 3	Volatility of firm's assets returns*
Preferred shares liability	399,275	Black-Scholes model	level 3	Volatility of firm's assets returns**

* A change in the volatility measure by +5% results in a change of + $326 of the fair value and a change in the volatility measure by -5% results in a change of - $103 of the fair value.

** A change in the volatility measure by +5% results in a change of - $326 of the fair value and a change in the volatility measure by -5% results in a change of + $103 of the fair value.
The is no material change in the fair value of the warrant and option liability or the preferred shares liability during the financial period.

d. Financial instruments not measured at fair value:

Financial instruments that are not measured at fair value include cash and cash equivalents, restricted cash, trade, and other receivables, trade, and other payables.
Due to their short-term nature, the carrying value of cash and cash equivalents, restricted cash, trade, and other receivables, trade, and other payables approximate their fair value.

e. Capital management:

The Company seeks to maintain a capital structure which enables it to continue as a going concern and which supports its business strategy. The Company's capital is provided by equity financings. The Company has net cash and cash equivalents at the balance sheet date of $486,032 (2019 – $546,443). Accordingly, the directors believe that the Company will be able to pay its debts when they fall due, and to fund near term anticipated activities (see Note 20(1)).

(U.S. dollars)

NOTE 14 - Related Parties Transactions:

Related party transactions:

For the year ended December 31,	2020	2019
Compensation of key management personnel of the Company:		
CEO Management fees	$ 174,584	$ 91,181
CMO Management fees	92,500	39,390
CEO defined benefit plan	436,460	227,953

Balance with related parties:

For the year ended December 31,	2020	2019
Loan from related party	$ 112,352	$ 77,338
Employee benefit (see 1)	719,285	235,098

1) CEO and a Chairman of the Board of Directors, Mr. Pinhas Or (Pinhas)

On November 25, 2018, the Company entered into a consulting agreement (the "Pinhas Consulting Agreement") with Mr. Pinhas Or ("Pinhas") pursuant to which the Company agreed to engage Pinhas to provide, and Pinhas agreed to provide to the Company, management services and serve as the CEO of the Company. Subject to and conditional upon the Company consummating a transaction or series of related transactions, in which the Company raises an aggregate amount of at least US$ 1,000,000 (a "Financing Event"), the Company agreed to pay Pinhas for the services: a one-time payment equal to NIS 25,000 multiplied by the number of months between theexecution of the agreement and completion of a Financing Event and thereafter a monthly fee of NIS 50,000 (the "Monthly Fee"). The Financing Event occurred in December 2019. Pinhas was paid $81,472 in the year ended December 31, 2020, and $71,823 for the year ended December 31, 2019. Pinhas is also entitled to the use of a car, pension, disability, and accident insurance.

In the event a new CEO is appointed to the Company or Pinhas is transferred to other position (President of the Company or Head of the Research and Development Department) the Company agreed to pay him a one-time payment equal to 24 times the Monthly Fee.

Each party may terminate the Pinhas Consulting Agreement upon 90 days prior written notice (reduced to 7 days in the case of a material breach). In case of termination of the Pinhas Consulting Agreement for any reason, the Company will pay Pinhas a sum equal to 250% of all of the amounts paid or that must to be paid to Pinhas according to the agreement. On June 24, 2021, Pinhas have waived this obligation of the Company.

In addition, under the IP Assignment Agreement, the Company expensed Pinhas $20,000 for the year ended December 31, 2020, and $58,048 for the year ended December 31, 2019.

NOTE 14 - Related Parties Transactions (continued):

2) CMO and a member of the Board of Directors, Mr. Jonathan Or (Jonathan) (Son of Pinhas)

On November 25, 2018, the Company entered into a consulting agreement with Jonathan. pursuant to which the Company agreed to engage Jonathan to provide, and Jonathan agreed to provide to the Company, sales manager services. As consideration for the services the Company agreed to pay Jonathan (i) a monthly fee of NIS 10,000 to be increased to NIS 25,000 (the “Monthly Fee”) upon the Company consummating a transaction or series of related transactions, in which the Company raises an aggregate amount of at least US$ 1,000,000 or a grant from the Israel Innovation Authority (a “Financing Event”) and increased to NIS 35,000 upon a Financing Event raising US$2,000,000, and (ii) an amount equal to 5% of amounts generated by customers presented by Jonathan over a five year period. The Financing Event occurred in December 2019. Jonathan is entitled to the standard social benefits and fringe benefits as customary and disability and accident insurance.

Either party may terminate the Jonathan Consulting Agreement upon 90 days prior written notice (reduced to 7 days in the case of a material breach).

NOTE 15 - Revenues:

On June 25, 2019, the Company signed an exclusive distribution agreement with a distributor in Spain (the Company has one customer). The Company granted the distributor the license to market and sell capsules to customers within the territory, or otherwise acquire by the distributor. The terms of the agreement are by the ordinary course of business of the Company. The distributor paid the Company advance payment. Due to the COVID 19 pandemic, the agreement was terminated. After reporting period, the Company signed a revised agreement with the distributor.

(U.S. dollars)

NOTE 16 – Research and development expenses:

	For the year ended December 31,	
	2020	**2019**
Sub-Contractors	$ 223,374	$ 221,625
Professional fees	216,935	117,498
Materials	37,151	22,868
Office maintenance, communication, and Travel	,5159	27,263
Less- proceeds from Israel Innovation Authority*	(263,511)	(176,891)
	$ 219,108	$ 212,363

* In August 2019 and June 2020, the Company received approval for 2 research and development agreements form the Israel Innovation Authority with a budget of NIS3,282,921 (approximately $1,021 thousand) for R&D expenditure and a grant for 60% of the actual expenses related to the program in the amount of NIS1,969,753 (approximately $613 thousand). As of December 31, 2020, the Company received $440,402 towards this amount. The Israel Innovation Authority is not entitled to royalties and repayment of the proceeds. The Company is obligated to manufacture only in Israel. In case the Company decides to relocate out of Israel, the Company will be required to repay all grant proceeds.

NOTE 17 - General and administrative expenses:

	For the year ended December 31,	
	2020	**2019**
Wages and salaries	$ 133,104	$ 96,040
Professional and legal fees	38,421	35,778
Share based compensation	107,656	207,014
Special termination expenses	436,460	227,953
Depreciation	379,334	334,963
Rent	1,728	1,386
Selling and Marketing expenses	21,315	37,722
Insurance	4,388	636
Office maintenance, communication, Travel, and Others	63,861	63,336
	$ 1,186,267	$ 1,004,828

NOTE 18 - Financial expenses:

	For the year ended December 31,	
	2020	**2019**
Interest on lease liability	$ 12,293	$ 8,907
Interest and commission	1,181	746
	$ 13,474	$ 9,653

(U.S. dollars)

NOTE 19 - Changes in liabilities arising from financing activities:

Set forth below is a reconciliation of the changes in liabilities for which cash flows have been, or will be classified as financing activities in the statements of cash flows

	Lease liabilities	Derivative liability – warrants and options	Preferred shares liability
As of 31 December 2019,	**$ 120,599**	**$ -**	**$ -**
Changes from financing cash flows:			
Issuance of Warrants and options	-	725	-
Issuance of Preferred shares	-	-	399,275
Payments of lease liabilities	(17,475)	-	-
Total changes from financing cash flows	**103,124**	**725**	**399,275**
Interest expense	12,293	-	-
Interest paid	(12,293)	-	-
Effects of foreign exchange	6,979	-	-
As of 31 December 2020,	**$ 110,103**	**$ 725**	**$ 399,275**

	Lease liabilities
As of 31 December 2018,	**$ -**
Changes from financing cash flows:	
Payments of lease liabilities	(8,224)
Repayment of long-term loans from banks	-
Total changes from financing cash flows	**(8,224)**
Recognition of initial application of IFRS 16	123,497
Changes in fair value	-
Interest expense	8,907
Interest paid	(8,907)
Effects of foreign exchange	5,326
As of 31 December 2019,	**$ 120,599**

NOTE 20 - Subsequent events:

1. On June 17, 2021, the Company entered into an agreement amending the IP Assignment Agreement with Pinhas (the: First IP Assignment Amendment"). The First IP Assignment Amendment reduced the royalty payable thereunder from 5% to 3% of net sales in the event that Pinhas' engagement with the Company is terminated by the Company for any reason, other than cause. The aforementioned royalty is payable for the period of 8 (eight) years following termination or an Exit Event. "Exit Event" means the sale of all the Company's shares or all or substantially all of the Company's assets in one transaction or in a series of related transactions including by way of a perpetual license to be granted by the company or by way of merger the result of which is that the Company's shareholders hold less than 50% of the shares and voting rights in the surviving entity, all at a minimum valuation of US$100,000,000. Also, it was agreed that the Proposed Transaction with FTC will not constitute an Exit Event.

   On June 17, 2021, the Company entered into a revised consulting agreement with Pinhas which agreement supersedes the Pinhas Consulting Agreement (the "Revised Pinhas Consulting Agreement"). Pursuant to the Revised Pinhas Consulting Agreement the Company agreed to engage Pinhas to provide, and Pinhas agreed to provide to the Company, management services and serve as the Company's head of research and development on an 80% basis, for a monthly fee of NIS 50,000. Pinhas is also entitled to the reimbursement of car expenses.

   Pinhas is entitled to receive 60,575 options of the Company to purchase shares with an exercise price of CAD$0.75 ("the Options") subject to the approval of the Company's board. The Options will vest according to the vesting schedule approved by the Company's board the vesting starting date is subject to the approval of the Company's board, however, all unvested Options shall cease to vest and shall automatically expire in the event that Pinhas no longer serves as a consultant to the Company, for any reason.

   Following consummation of the FTC Transaction (see note 20 (3)), the Options shall be replaced with economically equivalent options to purchase common shares of FTC.

   The Revised Pinhas Consulting Agreement, upon 180 days prior written notice (reduced to 7 days in the case of a material breach). In case of termination of the Revised Pinhas Consulting Agreement for any reason other than cause or material breach, the Company must pay Pinhas NIS 1,000,000 ("Termination Grant") and a royalty equal to 3% of the Company's net sales (the "Royalty"), based on its annual financial statements. The Termination Grant shall be paid to Pinhas within 30 days following the termination. The aforementioned Royalty shall be paid to Pinhas, in the earlier of an 8 (eight) years period following his termination of or engagement, as the case may be at the Company or an Exit Event in the Company. In the event Pinhas dies on or before the day that is ten (10) years from the date of the agreement, the Royalty will only be payable for five (5) years from the date of death.

2. On June 8, 2021, the Company entered into an employment agreement with Jonathan effective that date (the "Jonathan Employment Agreement") pursuant to which Jonathan is employed on a full-time basis as the Company's Chief Marketing Officer at an annual, salary of NIS 20,000.

   Following the completion of the Transaction with FTC, Jonathan's salary will be increased to NIS 35,000 with standard social and fringe benefits, and following the Company generating cumulative revenue of $ 1 million his salary will be increased to NIS 45,000. This agreement supersedes the consulting agreement dated November 25, 2018.

NOTE 20 - Subsequent events (continued):

Jonathan is entitled to receive 60,575 options of the Company to purchase shares with an exercise price of CA$0.75 (the “Options") subject to the approval of the Company's board. Following consummation of the IPO, the Options shall be replaced with economically equivalent options to purchase common shares of FTC.

These Options will vest according to the vesting schedule approved by the Company's board. The vesting starting date is subject to the approval of the Company's board, however, that all unvested Options shall cease to vest and shall automatically expire in the event that Jonathan no longer serves as an employee to the Company, for any reason.

3. On September 26, 2021, the Company entered into a definitive share purchase agreement dated September 26, 2021 (the “SPA") with FTC Cards Inc. ("FTC") and the shareholders of the Company (the “Shareholders”). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of the Company, in exchange for securities of FTC, constituting a reverse takeover of FTC (the “Transaction"). In connection with the completion of the Transaction, FTC will apply to list on the Canadian Securities Exchange (the “CSE”).

   At the closing of the Transaction, the Company will become a wholly owned subsidiary of FTC (after the Closing, FTC is referred as the “Resulting Issuer”).

   At the Closing, the Shareholders will be issued: (a) such number of common shares of FTC equals 50% plus 1 share of the total number of issued and outstanding Resulting Issuer Shares after giving effect to the Transaction (the “Payment Shares”); and (b) such number of warrants of the Resulting Issuer that equals 50% plus 1 share of the total number of issued and outstanding warrants of the Resulting Issuer outstanding after giving effect to the Transaction (the “Consideration Warrants”). Each Consideration Warrant will be exercisable for one Resulting Issuer Share at an exercise price of C$1.18 per share for a period of 12 months from the date of Closing (“Closing Date”).

   In addition, the Shareholders will be entitled to, in the aggregate, for the satisfaction of each as described below (a) – (d), that number of Resulting Issuer Shares as is equal to 10% of the issued and outstanding Resulting Issuer Shares as at the Closing (the rights to such shares, the “Contingent Rights”), upon satisfaction of each of the following: (a) the Resulting Issuer obtaining orders for at least US$3 million from customers within twelve (12) months of the Closing; (b) the Resulting Issuer achieving US$6 million in cumulative sales within 18 months of the Closing; (c) the Resulting Issuer achieving US$13 million in cumulative sales within 30 months of the Closing; and (d) the Resulting Issuer reaching positive EBITDA by the end of its fiscal year ended December 31, 2023, as confirmed by the audited annual financial statements for the year ended December 31, 2023.

   Subject to the approval of the CSE if the Resulting Issuer signs a definitive agreement with a major industry partner or oil producer on or before December 31, 2023, that results in the Resulting Issuer receiving US$10 million in revenues over a 24 month period, such milestone may be used as a replacement for anyone milestone in (a), (b), (c) or (d) above.

   The SPA provides that no party will solicit or negotiate with any other entities with respect to a transaction similar to the Transaction.

NOTE 20 - Subsequent events (continued):

In addition to any legends required pursuant to applicable securities laws, certain of the Payment Shares will be subject to a 36-month staged escrow, and 2,565,536 Payment Shares will be, subject to a 24 month hold period pursuant to Israeli tax laws.

The completion of the Transaction is subject to the satisfaction of certain conditions, including but not limited to: (a) closing of the Concurrent Financing (as defined below); (b) the Resulting Issuer having cash of at least US$3.5 million (less the amount of the Seed Loan and Bridge Loan, if any) and no liabilities other than Beyond Oil's Transaction expenses.

FTC and the Company anticipate that the Transaction will be completed in or about March 2022.

If the Company terminates the SPA for any reason other than as provided in the SPA or FTC terminates the SPA: (a) due to a material breach by the Company of any representation, warranty or covenant which the Company has failed to cure within ten business days; or (b) as a result of the Company completing an alternative transaction, the Company will pay FTC a termination fee of C$150,000 within 5 business days of such termination and repay the Seed Loan and Bridge Loan (as defined below), in accordance with the terms thereof. Finally, If Beyond Oil terminates the SPA due to a material breach by FTC of any representation, warranty, or covenant which FTC has failed to cure within ten business days, FTC shall reimburse the Company, its Transaction related expenses.

The SPA also contains customary representations and warranties and indemnities for breaches of representations and warrants, pre-closing tax losses, and breaches of covenants in the SPA. Fifty percent of the unissued Contingent Rights will effectively be granted as security for the indemnification obligations of the shareholders and may be canceled if, and to the extent, of an indemnification obligation.

In June 2021, FTC completed a seed financing comprised of 12,000,000 FTC Shares at a price of C$0.05 per share for gross proceeds of C$600,000 (the "Seed Financing").

After completion of the Seed Financing, FTC loaned the Company US$155,000 (on July 7, 2021 - $50,000 and on October 1, 2021 - $105,000) pursuant to an unsecured promissory note (the "Seed Loan"). Proceeds from the Seed Loan have been used by the Company for expenses related to the Transaction and for general working capital. The loan bears a 12% interest rate per year. The outstanding principal amount of the Loan shall be due and payable within 90 days following the termination or expiration of the LOI between the company and FTC (the "Maturity Date") unless prior to such date the Company and FTC executed a definitive binding agreement with respect to the listing transaction contemplated in the LOI, in which case upon the closing of such transaction, the loan amount together with all of the outstanding accrued and unpaid interest, shall be waived.

Pursuant to the SPA, FTC intends to undertake a bridge financing comprised of approximately 2,500,000 FTC Shares at a price of C$0.50 per share, for gross proceeds of approximately C$1,250,000 (the "Bridge Financing"). It is expected that net proceeds from the Bridge Financing will be used by FTC for expenses related to the Transaction, for general working capital, and for making a secured loan to the Company (the "Bridge Loan"). It is expected that proceeds from the Bridge Loan will be used by the Company to begin implementing Beyond Oil's business plan, for expenses related to the Transaction and for general working capital.

NOTE 20 - Subsequent events (continued):

On November 8, 2021, FTC granted 975,000 stock options to certain directors, officers, and consultants. The options have an exercise price of $0.50 per share and an expiry date of November 8, 2031. All of the options vested immediately.

FTC loaned the Company US$750,000 (on November 17, 2021- $450,000, on December 22, 2021 - $175,000, and on January 24, 2022 - $125,000) pursuant to an unsecured promissory note (the "Bridge Loan"). The loan bears a 10% interest rate per year.

a condition to closing of the Transaction, FTC intends to complete a concurrent private placement (the "Concurrent Financing") of non-transferable special warrants ("Special Warrants") for aggregate proceeds of approximately C$3.5 million. Each Special Warrant will convert, in prescribed circumstances, into one half of one common share purchase warrant ("Unit Warrants") and one common share.

Subject to the approval of the Exchange, the Resulting Issuer has agreed to pay to Pinhas Or, the founder of Beyond Oil, the sum of US$500,000 upon the Resulting Issuer receiving at least C$2.5 million ($1.96 million) pursuant to the exercise of Unit Warrants and Consideration Warrants.

The SPA provides that the Resulting Issuer may pay finders' fees to certain finders in the amount of 7.5% of gross proceeds in cash and issue 7% of such number of Resulting Issuer Shares and warrants being issued in connection with the Transaction, to the certain finders, all under such terms detailed in the SPA.

The FTC Board has adopted a 10% rolling stock option plan (the "FTC Option Plan"). Existing Company's stock options will be exchanged for Replacement Options to be governed by the FTC Option Plan. after Closing, additional options will be granted to certain directors, officers, consultants, and employees of
The Company provided that the aggregate of such options and the Replacement Options does not exceed 8% of the issued and outstanding Resulting Issuer Shares.

The Board of directors of the Resulting Issuer Board will include 6 directors at the closing. Between the Closing Date and the Resulting Issuer's annual general meeting to be held in 2022, the Company will be entitled to nominate a seventh director to the Board.

On closing of the Transaction, FTC will change its name to "Beyond Oil Ltd."

4. On September 26, 2021, the Company signed an allocation agreement with the holders of its preferred shares (the "Preferred Investors" and the "Allocation Agreement") pursuant to which the Preferred Investors agreed to the foregoing in exchange for (and in addition to any other consideration the Preferred Investors may be entitled to under the Definitive Agreement as a shareholder of the Resulting Issuer) (i) Payment Shares and Consideration Warrants having an aggregate value of US$735,000 and US$210,000, respectively; and (ii) execution and delivery of the Investment Return Agreement pursuant to which the Preferred Investors shall be entitled to receive an amount equal to 25% of the Annual Sales Revenue, up to an aggregate amount of US$400,000, in each case allocated on pro-rate basic. The balance of the Consideration Warrants and Payment Shares shall be allocated among all the Company's shareholders pro-rata based on their respective distribution of Payment Shares.

NOTE 20 - Subsequent events (continued):

The Preferred Investors also agreed and acknowledged that the existing warrants, according to their terms, shall expire upon the consummation of the Transaction and all previous agreements and understandings between the parties shall be revoked and canceled as of the consummation of the Transaction.

If the Transaction has not been consummated by March 31, 2022, or the SPA is terminated, the Allocation Agreement shall be deemed terminated automatically.

5. On June 28, 2021, the Company entered into an employment agreement with Mr. Tamir Gedo ("Tamir"), pursuant to which Tamir agreed to serve as the Company's CEO (the "Tamir Employment Agreement") Prior to completion of the Transaction, Tamir would be engaged on a part-time basis for a salary of NIS 50,000 and after the completion of the Transaction, Tamir would be engaged on a full-time basis for a salary of NIS 60,000.

   Tamir is also entitled to a special bonus of 1% of the value given to the Company, its shares, its assets, or its operations, as the case may be, upon an Exit Event. "Exit Event" shall mean the sale of all the Company's shares or all or substantially all of the Company's assets in one transaction or in a series of related transaction including by way of a perpetual license to be granted by the Company or by way of merger the result of which will be that the Company's shareholders will hold less than 50% of the shares and voting rights in the surviving entity, and all at a minimal Company valuation of US$100,000,000 (one hundred million).

   The Tamir Employment Agreement is for a non-fixed period and can be terminated by either party, prior to the completion of the IPO, upon the notice period prescribed by applicable law, and thereafter upon 180 days notice.

   Tamir is entitled to the standard social benefits and fringe benefits as customary. Tamir is obligated to non-disclosure, non-competition, and assignment of Inventions terms under the signed agreements which include the general terms and conditions in this regard as determined by the Company.
   The Company granted Tamir 234,704 restricted ordinary shares constituting 8% of the Company's issued and outstanding share capital in consideration for their par value (the "Shares"). The Shares will be issued to the Trustee of the Company's 2020 Share Option Plan and will be subject to the provisions of such plan and Section 102 of the Israeli tax ordinance in the "Capital Gains" Route. The vesting period of the restricted shares is six months.

   In addition, Tamir has been granted an option to purchase 60,346 ordinary shares of the Company, with an exercise price of NIS 0.01. These Options will vest according to the vesting schedule approved by the Company's board. Following consummation of the IPO, the Options shall be replaced with economically equivalent options to purchase common shares of FTC.

   Provided, however, that all unvested options shall cease to vest and shall automatically expire in the event that Tamir no longer serves as an Employee to the Company, for any reason. Once vested, the options may be exercised according to the conditions of the ESOP plan.

NOTE 20 - Subsequent events (continued):

6. Following the adoption of an Israeli Share Option Plan ("Plan") in accordance with Section 102 of the Israeli Income Tax Ordinances (see note 11), on June 24, 2021, the Company granted 120,922 options and 234,704 restricted shares (that been granted to the Company's CEO) to purchase ordinary shares to the Company's employees and advisors. The exercise prices of the options and restricted shares is NIS 0.01. The options will be expired after 10 years as of the date of grant. The vesting period of the options is 27 months and of the restricted shares is 6 months. All the options will be vested as follows: 25% following 6 months as of the date of grant + 10.7143% each quarter over 7 quarters following 6 months as of the date of grant.

   On August 8, 2021, the Company's board resolved to amend its previous resolution from June 24, 2021, regarding granting options to the Company's employees and advisors, in such manner, that the granted Shares and Options will not be subject to the cancellation agreement and will not be terminated, in the event that the Company does not consummate a merger event.

*The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Beyond Oil Ltd. (the "**Company**") constitutes mmanagement's review of the factors that affected Beyond Oil Israel's financial and operating performance for the periods January 1, 2019, to December 31, 2019 (the "**2019 Fiscal Year**") and January 1, 2020, to December 31, 2020 (the "**2020 Fiscal Year**"). This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of Beyond Oil Israel for the years ended December 31, 2019, and 2020 (the "**Annual Financial Statements**") together with the notes thereto. Results are reported in U.S dollars, unless otherwise noted. Beyond Oil Israel's financial statements and the financial information contained in this MD&A are prepared in accordance with IFRS as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included.*

This MD&A is presented as of the date of this prospectus and is current to that date unless otherwise stated. The financial information presented in this MD&A is derived from the Annual Financial Statements of Beyond Oil Israel. This MD&A contains forward-looking statements that involve risks, uncertainties, and assumptions, including statements regarding anticipated developments in future financial periods and our plans and objectives. There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on such forward-looking statements. See "*Forward-Looking Statements*" and "*Risk Factors*" in this prospectus.

Overview

See "*General Development and Business of the Company – Beyond Oil Israel – Overview*" for or an overview of the business of Beyond Oil Israel.

Operations Highlights

See "*General Development and Business of the Company – Beyond Oil Israel – History"* for the operational highlights of Beyond Oil Israel during the fiscal year month ended December 31, 2020.

Outlook

See "*General Development and Business of the Company"* and "*Use of Proceeds*" for more information about the outlook of Beyond Oil Israel.

Going Concern

The Annual Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that Beyond Oil Israel will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Should Beyond Oil Israel be unable to continue as a going concern, the basis of reporting the carrying values of assets may be adjusted. As a going concern, Beyond Oil Israel is dependent upon its ability to sustain future profitable operations and to maintain access to financing to meet its obligations and repay its liabilities arising from normal business operations as they come due. The Annual Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should Beyond Oil Israel not be able to continue as a going concern. Presently, following the completion of the Proposed Transaction, management believes that Beyond Oil Israel has sufficient funds available to maintain corporate capacity and execute its business plan for the ensuing 24 months.

(Expressed in US dollars)

Selected Financial Information

The following is selected financial data derived from the Annual and Interim Financial Statements of Beyond Oil Israel.

	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020
Total revenues	59,304	-
Loss for the period	(1,171,223)	(3,284,733)
Loss per share (basic and diluted)	(0.48)	(1.27)
Total assets	7,031,093	5,076,818
Total non-current financial liabilities	355,697	1,228,663
Dividends	Nil	Nil

Discussion of Operations

During the year ended December 31, 2020, Beyond Oil Israel had an income of $nil compared to $59,304 for the year ended December 31, 2019. The decrease is due to the termination of a distribution agreement as a consequence of the COVID 19 pandemic.

During the year ended December 31, 2020, Beyond Oil Israel incurred research and development expenses of $219,108, compared to $212,363 for the year ended December 31, 2019. The slight increase is mainly due to the increase in expenses to sub-contractors in 2020 compared to 2019, partially offset by the proceeds from the Israel Innovation Authority grant.

During the year ended December 31, 2020, Beyond Oil Israel incurred general and administrative expenses of $1,186,267, compared to $1,004,828 for the year ended December 31, 2019. The increase is mainly due to an increase in labor expenses and professional fees. Also, Beyond Oil Israel had an impairment loss on intangible assets of $1,865,884 (2019 - $nil). As of 31 December 2020, the fair value of the Company was below the book value of the Company's equity, indicating an impairment of the asset. The fair value of the Company was based on the Black-Scholes based structural model and derived from the preferred shares investment valuation.

As a result, Beyond Oil Israel incurred a net loss in the amount of $3,284,733 for the year ended December 31, 2020, compared to a loss of $1,171,223 for the year ended December 31, 2019.

The operating loss for the year ended December 31, 2020, of $3,284,733, (December 31, 2019: $1,171,223) after adjustments for non-cash items and changes in other working capital balances, resulted in a net decrease in cash from operating activities of $386,945 (as of December 31, 2019 – a decrease of $296,290). During the year ended December 31, 2020, Beyond Oil Israel used $72,028 for investment activity (December 31, 2019: - $194,910), mainly for the purchase of property and equipment and for payments to a related party for intangible assets

During the year ended December 31, 2020, Beyond Oil Israel raised $385,250 through the issuance of securities compared to $770,000 through the issuance of securities in the year ended December 31, 2019. For the year 2020, the net proceeds from financing activity were $367,775 (for the year 2019 - $761,776). Consequently, Beyond Oil Israel's cash position decreased from $546,443 at the beginning of the year to $486,032 as of December 31, 2020, compared to the year ended December 31, 2019, when it increased from $250,000 at the beginning of the year to $546,443 as of December 31, 2019.

(Expressed in US dollars)

Summary of Quarterly Results

A summary of quarterly results has not been provided as Beyond Oil Israel has not previously prepared financial statements on a quarterly basis prior to becoming a reporting issuer.

Capital

	Number of shares			
	December 31, 2020		December 31, 2019	
	Authorized	**Issued and outstanding**	**Authorized**	**Issued and outstanding**
Ordinary shares with 0.01NIS	9,889,071	2,635,706	10,000,000	2,541,747
Preferred shares with 0.01NIS	110,929	63,388	-	-

Liquidity and Capital Resources

Pursuant to the terms of the Share Purchase Agreement, FTC advanced to Beyond Oil Israel a secured bridge loan in the amount of $750,000 for transaction and operating expenses. FTC also previously advanced Beyond Oil Israel the sum of $50,000 by way of a seed loan on July 7, 2021, and a further $105,000 seed loan on October 1, 2021 (together, the "**Seed Loan**").

As of January 31, 2022, Beyond Oil Israel had a cash balance of $393,121 and negative working capital of $1,120,516.
In addition, Beyond Oil Israel has the following contractual obligations as of December 31, 2020:

Contractual Obligation	**Total**	**Less than 1 year**	**1 – 2 Years**	**2 – 3 Years**	**3 – 4 Years**	**After 4 Years**
Debt	Nil	Nil	Nil	Nil	Nil	Nil
Finance Lease Obligations	Nil	Nil	Nil	Nil	Nil	Nil
Operating Leases (1)	(137,713)	(32,659)	(32,938)	(33,818)	(32,138)	(6,160)
Purchase Obligations	Nil	Nil	Nil	Nil	Nil	Nil
Other Obligations	(1,293,599)	(175,039)	Nil	Nil	Nil	(1,118,560)
Total	**(1,403,702)**	**(207,698)**	**(32,938)**	**(33,818)**	**(32,138)**	**(1,124,720)**

(1) Beyond Oil Israel's operating leases consist of (i) a lease arrangement for office space in Kibbutz Yifat, Israel the term of which ends in October 2024, subject to an option to extend for six additional years; and (ii) a lease arrangement for factory space in Migdal Haemek, Israel ,the term of which ends in March 2025, subject to an option to extend the option for two additional years.

Beyond Oil Israel's business currently does not generate revenue or positive cash flows from operations and is reliant on equity and debt financing and government grants/awards to provide the necessary cash to continue its research and development activities and ongoing operations.

Beyond Oil Israel's cash flow forecasts are continually updated to reflect actual cash inflows and outflows so to monitor the requirements and timing for additional financial resources. Further, Beyond Oil Israel continues to monitor additional opportunities to raise equity capital and/or secure additional funding through non-dilutive sources such as government grants. However, it is possible that its cash and the working capital position may not be enough to meet its business objectives in the event of unforeseen circumstances or a change in strategic direction.

(Expressed in US dollars)

In addition, FTC has completed the Concurrent Financing, as described in the annual financial statement of Beyond Oil Israel, Note 20(3), and upon closing of the Proposed Transaction and the issue of a receipt for the final prospectus. Accordingly, upon and assuming completion of the proposed Transaction, the Resulting Issuer anticipates having cash on hand of approximately C$4,099,000 which is allocated to financing operating expenses and executing its business plan. See "*Use of Available Funds"* and "*Use of Proceeds*" in this prospectus.

In the event, the Proposed Transaction is not completed for any reason, the Bridge Loan and Seed Loan, and all accrued and unpaid interest thereon must be repaid and the proceeds of the Concurrent Financing will not be available to Beyond Oil Israel. In addition, if the Share Purchase Agreement is terminated by FTC in certain prescribed circumstances (including for breach of the agreement by Beyond Oil Israel), Beyond Oil Israel will be required to pay to FTC the sum of C$150,000. In such event, Beyond Oil Israel will be required to raise additional funds from third parties and there can be no assurance that Beyond Oil Israel will be able to do so. If Beyond Oil Israel is unable to raise additional funds, FTC will have rights as a secured creditor to enforce its security interest on Beyond Oil Israel's assets and Beyond Oil Israel will be required to significantly change or curtail the current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated or third party financing is secured, all having material adverse consequences to Beyond Oil Israel.

Beyond Oil Israel's capital is not subject to any external restriction and Beyond Oil Israel did not change its approach to capital management during the period.

Off-Balance-Sheet Arrangements

Beyond Oil Israel does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Beyond Oil Israel, including, and without limitation, such considerations as liquidity and capital resources.

Related Party Transactions

Beyond Oil Israel considers its officers and directors to be key management personnel. During the year ended December 31, 2020, and 2019, Beyond Oil Israel's transactions with related parties are as follows:

For the year ended December 31,	**2020**	**2019**
Compensation of key management personnel of Beyond Oil Israel:		
CEO Management fees	174,584	91,181
CMO Management fees	92,500	39,390
CEO defined benefit plan	436,460	227,953

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Proposed Transactions

On September 26, 2021, Beyond Oil Israel and its shareholders entered into the Share Purchase Agreement for the Proposed Transaction. See this prospectus for a description of the Proposed Transaction.

Critical Accounting Estimates

Please refer to note 2 of the Annual Financial Statements and Interim Financial Statements for a description of Beyond Oil Israel's critical accounting estimates.

(Expressed in US dollars)

Changes in Accounting Policies Including Initial Adoption

In January 2020, the IASB issued amendments to IAS 1, which clarifies the criteria used to determine whether liabilities are classified as current or non-current. These amendments provide that whether liability is classified as current or non-current is based on whether an entity has a right, at the end of the reporting period, to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer

equity instruments arise from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

Beyond Oil Israel is currently evaluating the impact of IAS 1 amendment and at this stage it is unable to assess such impact.

Financial Instruments

Beyond Oil Israel's financial instruments consist of cash, trade and other receivables, trade payables, other liabilities, lease liability, preferred shares liability, and derivative liability – Warrants and Options.

Risk Management

The risks associated with Beyond Oil Israel's financial instruments are foreign currency risk and liquidity risk. Beyond Oil Israel has no interest rate risk as its cash balances are low and it has no interest bearing expenses or liabilities. These financial risks are in addition to the risks set out under "Risk Factors". Risk management is carried out by Beyond Oil Israel's management team under policies approved by the Board of Directors.

Foreign Currency Risk

Foreign exchange risk arises when Beyond Oil Israel enters into transactions denominated in a currency other than its functional currency. Beyond Oil Israel is exposed to currency risk to the extent that there is a mismatch between the currency in which it denominated and the respective functional currency of Beyond Oil Israel.

The currencies in which some transactions are primarily denominated are NIS, US dollars, and Euro.

Beyond Oil Israel's policy is not to enter into any economic hedging transactions to neutralize the effects of foreign currency fluctuations. The carrying amounts of Beyond Oil Israel's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows

A 5% appreciation of the USD against the following currencies would have increased (decreased) equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	December 31, 2020	December 31, 2019
Linked to EURO	(94,039)	(87,481)
	5%	5%
	(4,702)	(4,374)
Linked to USD	(398,599)	628
	5%	5%
	(19,930)	31

For a 5% depreciation of the NIS against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

Liquidity risk

Liquidity risk is the risk that Beyond Oil Israel will encounter difficulty in meeting its financial obligations as they become due. Beyond Oil Israel manages its liquidity risk by actively managing its assets, liabilities, and cash flows to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The ability of the Company to manage its liquidity risk and continue to operate and fund its cash flow requirements is dependent on its ability to continue to obtain funding, including financing through equity placements and debt. Failure to obtain such additional financing could result in delay or indefinite postponement of further product development. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. Presently, following the completion of the Proposed Transaction, management believes that Beyond Oil Israel has sufficient funds available to maintain corporate capacity and execute its business plan for the ensuing 24 months.

Determination of Fair Value

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value on a recurring basis, whether changes in fair value are recognized at fair value through profit or loss or fair value through other comprehensive income ("FVTOCI").

Beyond Oil Israel classifies its financial assets based on the business model for managing the financial asset and its contractual cash flow characteristics. These assets arise principally from the provision of goods (e.g., trade accounts receivable), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Beyond Oil Israel does not, and has not previously, engaged in any hedging activities.
Beyond Oil Israel measures financial instruments at fair value, grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Level 3 - Inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

Liabilities such as accounts payable, accrued liabilities, are initially recognized at fair value plus transaction costs that are directly attributable to the issue of the instrument and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss (preferred shares liability) and derivatives (derivative liability – warrants and options).

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The issue of a unit of securities involves the allocation of the proceeds received (before issue expenses) to the securities issued in the unit based on the following order: financial derivatives and other financial instruments measured at fair value in each period. Then the fair value is determined for financial liabilities that are measured at amortized cost. The proceeds allocated to equity instruments are determined to be the residual amount. Issue costs are allocated to each component pro rata to the amounts determined for each component in the unit.

Beyond Oil Ltd.

Interim Condensed Financial Statements

As of September 30, 2021
Unaudited
Expressed in U.S. dollars

Beyond Oil Ltd.

Interim Condensed Financial Statements
As of September 30, 2021
Unaudited
Expressed in U.S. dollars

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Beyond Oil Ltd.

Unaudited Interim Condensed Statements of Comprehensive Loss
In U.S. dollars

	Note		September 30, 2021		December 31, 2020
Assets					
Current					
Cash and cash equivalents		$	36,199	$	486,032
Restricted deposit			2,283		1,474
Other accounts receivable			30,882		40,470
Total current assets			69,364		527,976
Non-current					
Lease asset, net			81,382		97,297
Intangible asset, net			4,068,664		4,264,051
Property and equipment, net			175,152		187,494
Total non-current assets			4,325,198		4,548,842
Total assets		$	4,394,562	$	5,076,818
Liabilities					
Current liabilities					
Trade accounts payable		$	32,692	$	29,302
Loan from others	8		50,000		-
Other accounts payable			266,728		33,385
Related Party	6		270,342		112,352
Derivative liability – Warrants and Options			463		725
Advanced payment	7		67,107		94,232
Total current liabilities			687,332		269,996
Non-current liabilities					
Related Party - Employee benefit plan			-		719,285
Preferred share liability			380,883		399,275
Lease liability			95,912		110,103
Total non-current liabilities			476,795		1,228,663
Shareholders' equity					
Share capital and premium			1,129,271		1,129,271
Reserve from share-based compensation transactions			7,406,418		7,203,835
Reserve from transaction with controlling shareholder	5		920,245		-
Foreign currency translation reserve			770,173		774,345
Accumulated deficit			(6,995,672)		(5,529,292)
Total Shareholders' equity			3,230,435		3,578,159
Total Liabilities and Shareholders' equity		$	4,394,562	$	5,076,818

Going Concern (Note 1B)

Date of approval of the financial statements	Director	CEO and Director

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

Beyond Oil Ltd.
Unaudited Interim Condensed Statements of Comprehensive Loss
In U.S. dollars

		Three-month period ended September 30,		Nine-month period ended September 30,	
	Note	2021	2020	2021	2020
Revenues	7	$ -	$ -	$ (42,918)	$ -
Cost of revenues		-	-	-	-
Gross loss		-	-	(42,918)	-
Operating expenses					
Research and development		(80,447)	(70,852)	(253,877)	(259,204)
General and administrative		(551,901)	(339,036)	(1,179,957)	(908,198)
Impairment loss		-	(1,845,877)	-	(1,845,877)
Total operating expenses		(632,348)	(2,255,765)	(1,433,834)	(3,013,279)
Loss from operations		(632,348)	(2,255,765)	(1,476,752)	(3,013,279)
Finance income		2,568	-	21,825	-
Finance expenses		(4,809)	(3,112)	(11,453)	(10,803)
Net loss before tax		(634,589)	(2,258,877)	(1,466,380)	(3,024,082)
Tax expenses		-	-	-	-
Net loss		$ (634,589)	$ (2,258,877)	$ (1,466,380)	$ (3,024,082)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Translation adjustment to the presentation currency		53,402	24,418	(4,172)	(2,811)
Total comprehensive loss		$ (581,187)	$ (2,234,459)	$ (1,470,552)	$ (3,026,963)
Basic and Diluted loss per share		(0.24)	(0.88)	(0.54)	(1.19)
Weighted Average Number of Shares Outstanding		2,699,094	2,556,216	2,699,094	2,546,605

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

Beyond Oil Ltd.
Unaudited Interim Condensed Statements of Change of Equity
In U.S. dollars

For the Nine-month period ended September 30, 2021:

	Note	Share Capital and Premium	Reserve from share-based compensation transactions	Reserve from transaction with controlling shareholder	Accumulated deficit	Foreign currency translation reserve	Total
Balance, December 31, 2020		**$ 1,129,271**	**$ 7,203,835**	**$ -**	**$ (5,529,292)**	**$ 774,345**	**$ 3,578,159**
Comprehensive loss for the year							
Loss		-	-	-	(1,466,380)	-	(1,466,380)
Other Comprehensive loss in for the period		-	-	-	-	(4,172)	(4,172)
Total comprehensive loss for the year		**-**	**-**	**-**	**(1,466,380)**	**(4,172)**	**(1,470,552)**
Transactions with owners in their capacity as owners	6	-	-	920,245	-	-	920,245
Share based compensation	5	-	202,583	-	-	-	202,583
Balance, September 30, 2021		**$ 1,129,271**	**$ 7,406,418**	**$ 920,245**	**$ (6,995,672)**	**$ 770,173**	**$ 3,230,435**

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

Beyond Oil Ltd.
Unaudited Interim Condensed Statements of Change of Equity
In U.S. dollars

For the Nine-month period ended September 30, 2020:

	Share Capital and Premium	Reserve from share-based compensation transactions	Accumulated deficit	Foreign currency translation reserve	Total
Balance, December 31, 2019	**$ 1,026,086**	**$ 7,199,364**	**$ (2,244,559)**	**$ 482,555**	**$ 6,463,446**
Comprehensive loss for the year					
Loss	-	-	(3,024,082)	-	(3,024,082)
Other Comprehensive loss for the period	-	-	-	(2,811)	(2,811)
Total comprehensive loss for the year	-	-	(3,024,082)	(2,811)	(3,026,963)
Exercise of options	103,185	(103,185)	-	-	-
Share based compensation	-	107,656	-	-	107,656
Balance, September 30, 2020	**$ 1,129,271**	**$ 7,203,835**	**$ (5,268,641)**	**$ 479,674**	**$ 3,544,139**

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

Beyond Oil Ltd.

Unaudited Interim Condensed Statements of Cash Flows
In U.S. dollars

		Nine-month period ended September 30,	
	Note	**2021**	**2020**
Cash flows from operating activities:			
Net loss for the period		$ (1,466,380)	$ (3,024,082)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization		219,202	281,523
Impairment of asset		-	1,845,877
Fair value adjustments of derivative liability – warrants and options		(262)	-
Fair value adjustments of derivative liability – preferred shares		(18,392)	-
Finance expenses, net		8,399	24,091
Share based compensation		202,583	107,656
Changes in operations assets and liabilities:			
Change in related party transactions		369,154	314,366
Change in other accounts receivables		9,330	82,337
Change in other advanced payment		(26,483)	-
Changes in trade payables and other trade payables		233,510	(6,456)
Cash used in operations		(469,339)	(374,688)
Interest paid		(8,399)	(9,341)
Net cash used in operating activities		(477,738)	(384,029)
Cash flow from investing activities:			
Restricted deposits		(808)	1,146
Purchase of property and equipment		(14,583)	(21,631)
Net cash used in financing activities		(15,391)	(20,485)
Cash flow from financing activities			
Payments of lease liabilities		(15,864)	(12,843)
Short term loan from others		50,000	-
Net proceeds from issuance of units of securities, net		-	385,250
Net cash provided by financing activities		34,136	372,407
Translation differences on cash and cash equivalents		9,160	(4,090)
decrease in cash and cash equivalents		(458,993)	(32,107)
Cash and cash equivalents at the beginning of the year		486,032	546,443
Cash at the end of the period		$ 36,199	$ 510,246

The accompanying notes are an integral part of these Interim Condensed *Financial Statements.*

NOTE 1- GENERAL:

A. Formation of the Company, Merger transaction and Description of business:

Formation of the Company

Beyond Oil Ltd. (the "Company") was incorporated under the Business Corporations Act of Israel on November 25, 2018, and commenced its activity in January 2019. The registered address of the company is Kibbutz Yifat 3658300, Israel.

Description of Business

The Company is a food-tech company that has developed a solution to reduce free fatty acid from oil while preserving the oil's quality and nutritional values. The Company develops products that extend the usable life of frying oil, improves food quality, and reduce frying oil costs.
For additional information please see note 8.

B. Going concern:

As of September 30, 2021, the Company has generated a cumulative loss of $6,995,672 and a loss for the nine months ended September 30, 2021, in the amount of $1,466,380. Also, the Company generated negative cash flows from operating activities of $477,738 for the period ended September 30, 2021. As of the date of the issuance of these financial statements, the Company has not yet commenced generating significant sales, and therefore depends on fundraising from new and existing investors to finance its activities. These factors create material uncertainties that may create substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

C. COVID-19:

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including with respect to challenges in finalizing the implementation of research and development processes of the Company, which also affected the marketing agreement with a new distributor in early 2020. The Company has already implemented a number of precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, and to potential clients and partners, which may adversely impact the Company's productivity from an R&D perspective and its business in the supply chain sector. The Company is also fully compliant with local rules and regulations instituted during COVID 19 and understands that mandatory or voluntary self-quarantines may limit the staffing at the Company's facility which will have a further impact on productivity. Management continues to be fully engaged in assessing the impact of COVID-19 and adjusting its operations accordingly to minimize the impact on business performance.

Amidst this highly challenging operating environment, the Company asses that COVID-19, had an effect on its business, mainly from sales and development of the Company, due to the fact that the Company could not do meetings abroad and do marketing and sells transactions.

NOTE 2 – BASIS OF PREPARATION

The interim condensed financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim condensed periods, as prescribed in International Accounting Standard No. 34 ("Interim condensed Financial Reporting").

The interim condensed financial information should be read in conjunction with the annual financial statements as of December 31, 2020, and for the year then ended and with the notes thereto. The significant accounting policies applied in the annual financial statements of the Company as of December 31, 2020, are applied consistently in these interim condensed financial statements. Except for the adoption of new standards effective as of 1 January 2021.

NOTE 3 – CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

New IFRSs adopted in the period

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to December 31, 2021 (the date on which the Company's next annual financial statements will be prepared up to) that the Company has decided not to adopt early. The Company does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

In U.S. dollars

NOTE 4 - FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT:

This note provides an update on the judgments and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

The following table summarizes the information about the level 3 fair value measurements:

		September 30, 2021			
Item		**Fair value**	**Valuation technique**	**Fair value hierarchy level**	**Significant unobservable inputs**
Derivative liability – Warrants and options	$	463	Black-Scholes model	level 3	Volatility of firm's assets returns*
Preferred share liability		380,883	Black-Scholes model	level 3	Volatility of firm's assets returns**

		Derivative liability - Warrants	Preferred share liability
Balance as of January 1, 2021	$	725	399,275
Profit recognized in Profit or loss:		(262)	(18,392)
Balance as of September 30, 2021		463	380,883

(i) The Company uses the Black-Scholes option pricing model to estimate the fair value of the options.
(ii) The following assumptions were used to estimate the fair value of the options:

	Derivative liability - Warrants	Preferred share liability
	September 30, 2021	
Expected life of warrants	1.2 year	4.75 year
Expected volatility	45%	45%
Expected dividend yield	0%	0%
Risk-free interest rate	0.8782%	0.8782%
Exercise price	$6.31	N/A

The Company considers the expected volatility of the shares of comparable companies and its common shares in estimating its future stock price volatility. The risk-free interest rate for the expected life of the options was based on the yield available on US dollar government benchmark bonds with an approximate equivalent remaining term at the time of the grant. The expected life is based on the contractual term.

In U.S. dollars

NOTE 5 - SHARE BASED COMPENSATION:

1) For additional information for CEO restricted share plan, please see note 6.1.

2) Following the adoption of a Share Option Plan ("Plan") in accordance with Section 102 of the Israeli Income Tax Ordinances, on June 24, 2021, the Company granted 120,922 options to purchase ordinary shares to the Company's employees and advisors. Also, the Company granted 234,704 restricted shares, that have been granted to the Company's CEO. The exercise prices of the options and restricted shares are NIS 0.01. These options will expire 10 years from the date of the grant. The vesting period of the options is 27 months and of the restricted shares is 6 months. All the options will be vested as follows: 25% following 6 months as of the date of grant + 10.7143% each quarter over 7 quarters following 6 months as of the date of grant.

   On August 8, 2021, the Company's board resolved to amend its previous resolution from June 24, 2021, regarding granting options to the Company's employees and advisors, in such amanner, that the granted Shares and Options will not be subject to the cancellation agreement and will not be terminated, in the event that the Company does not consummate a merger event.

a. A summary of activity of options granted to purchase the Company's shares under the Company's share option is as follows:

	Nine months ended September 30, 2021		Three months ended September 30, 2021		Nine months ended September 30, 2020		Three months ended September 30, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		NIS		NIS		NIS		NIS
Options outstanding as the beginning of the period	3,708	0.01	124,630	0.01	68,124	0.01	68,124	0.01
Changes during the period:								
Granted	120,922	0.01	-	-	3,708	0.01	3,708	0.01
Expired	-	-	-	-	-	-	-	-
Exercise	-	-	-	-	-	-	-	-
Options outstanding at end of period (*) (**)	**124,630**	**0.01**	**124,630**	**0.01**	**71,832**	**0.01**	**71,832**	**0.01**
Options exercisable at period end	3,708		3,708		3,708		3,708	

(*) The options outstanding on September 30, 2021, had a weighted-average contractual life of 9.75 years (December 31, 2020: 9.75 years).

(**) Following consummation of the FTC Transaction (see note 8 (1)), the Options shall be replaced with economically equivalent options to purchase common shares of FTC.

In U.S. dollars

NOTE 5- SHARE BASED COMPENSATION (continued):

(*) The restricted shares outstanding on September 30, 2021, had a weighted-average contractual life of 0.25 years.

(i) The Company uses a Monte-Carlo based structural model to estimate the fair value of the employee options at the end of each reporting period.

(ii) The following assumptions were used to estimate the fair value of the employee options liability on:

	*At Issuance Date June 24, 2020
Expected life of options	5 years
Expected volatility	45%
Expected dividend yield	0%
Risk-free interest rate	0.8782%
Exercise price	$0.18

The total fair value of the options granted is $152,007.

	September 30, 2021	
	Number of restricted shares	Weighted Average Exercise Price
		NIS
Restricted shares outstanding as the beginning of the year	-	-
Changes during the period:		
Granted	234,704	0.01
Expired	-	-
Exercise	-	-
Options outstanding at end of period (*)	234,704	0.01
Options exercisable at period end	-	

(iii) The total fair value of the restricted shares granted is $295,038. The total expense during the reporting period is $158,867.

* The same assumptions were used to estimate the fair value of the restricted shares liability excluding the Exercise price of $0.

The Company considers the expected volatility of the shares of comparable companies and its common shares in estimating its future stock price volatility. The risk-free interest rate for the expected life of the options was based on the yield available on US dollar government benchmark bonds with an approximate equivalent remaining term at the time of the grant. The expected life is based on the contractual term.

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
Options Expenses	$ 43,716	$ 41,040	$ -	$ -
Restricted shares expenses	158,867	149,140	-	-

In U.S. dollars

NOTE 6 – RELATED PARTIES TRANSACTIONS:

Related parties including the Company's CEO, CMO, CRDO, and Directors.

Related party transactions:

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
Compensation of key management personnel of the Company:				
CEO Management fees (see 1)	$ 138,142	$ 46,285	$ 129,534	$ 43,928
CEO Management fees (see 3)	185,522	62,160	-	-
CMO Management fees (see 2)	66,928	22,203	58,670	20,296
Other related party transactions:				
Share base payments	180,683	169,621	-	-
CEO defined benefit plan	210,508	-	323,835	109,820

Balance with related parties:

Nine months ended September 30	2021	2020
Loan to related party	$ 270,342	$ 92,465
Employee benefit	-	563,063

1) CRDO and a Chairman of the Board of Directors (Former CEO), Mr. Pinhas Or (Pinhas)

On June 17, 2021, the Company entered into a revised consulting agreement with Pinhas which agreement supersedes the Pinhas Consulting Agreement (the "Revised Pinhas Consulting Agreement"). Pursuant to the Revised Pinhas Consulting Agreement the Company agreed to engage Pinhas to provide, and Pinhas agreed to provide to the Company, management services and serve as the Company's head of research and development on an 80% basis, for a monthly fee of NIS 50,000. Pinhas is also entitled to the use of a car. Pinhas is entitled to receive 60,575 options of the Company to purchase shares with an exercise price of CAD$0.75 ("the Options") subject to the approval of the Company's board. The Options will vest according to the vesting schedule approved by the Company's board. The vesting starting date is subject to the approval of the Company's board, however, that all unvested Options shall cease to vest and shall automatically expire in the event that Pinhas no longer serves as a consultant to the Company, for any reason.

Following consummation of the FTC Transaction (see note 8 (1)), the Options shall be replaced with economically equivalent options to purchase common shares of FTC.

Following the signing of the agreement, Pinhas has waived the termination plan obligation of the Company to him.

NOTE 6 – RELATED PARTIES TRANSACTIONS (continued):

The Revised Pinhas Consulting Agreement, upon 180 days prior written notice (reduced to 7 days in the case of a material breach). In case of termination of the Revised Pinhas Consulting Agreement for any reason other than cause or material breach, the Company must pay Pinhas NIS 1,000,000 ("Termination Grant") and a royalty equal to 3% of the Company's net sales (the "Royalty"), based on its annual financial statements. The Termination Grant shall be paid to Pinhas within 30 days following the termination. The aforementioned Royalty shall be paid to Pinhas, in the earlier of an 8 (eight) years period following his termination of or engagement, as the case may be at the Company or an Exit Event in the Company. "Exit Event" means the sale of all the Company's shares or all or substantially all of the Company's assets in one transaction or in a series of related transactions including by way of a perpetual license to be granted by the company or by way of merger the result of which is that the Company's shareholders hold less than 50% of the shares and voting rights in the surviving entity, all at a minimum valuation of US$100,000,000. Also, it was agreed that the Proposed Transaction with FTC will not constitute an Exit Event.

In the event Pinhas dies on or before the day that is ten (10) years from the date of the agreement, the Royalty will only be payable for five (5) years from the date of death.

2) CMO and a member of the Board of Directors, Mr. Jonathan Or (Jonathan) (Son of Pinhas)

On June 8, 2021, the Company entered into an employment agreement with Jonathan effective that date (the "Jonathan Employment Agreement") pursuant to which Jonathan is employed on a full-time basis as the Company's Chief Marketing Officer at a monthly, salary of NIS 20,000.

Following the completion of the Transaction with FTC, Jonathan's salary will be increased to NIS 35,000 with standard social and fringe benefits, and following the Company generating cumulative revenue of $ 1 million his salary will be increased to NIS 45,000. This agreement supersedes the consulting agreement dated November 25, 2018.

Jonathan is entitled to receive 60,575 options of the Company to purchase shares with an exercise price of CA$0.75 (the "Options") subject to the approval of the Company's board. Following consummation of the IPO, the Options shall be replaced with economically equivalent options to purchase common shares of FTC.

These Options will vest according to the vesting schedule approved by the Company's board. The vesting starting date is subject to the approval of the Company's board, however, that all unvested Options shall cease to vest and shall automatically expire in the event that Jonathan no longer serves as an employee to the Company, for any reason.

NOTE 6 – RELATED PARTIES TRANSACTIONS (continued):

3) On June 28, 2021, the Company entered into an employment agreement with Mr. Tamir Gedo ("Tamir"), pursuant to which Tamir agreed to serve as the Company's CEO (the "Tamir Employment Agreement") Prior to completion of the Transaction, Tamir would be engaged on a part-time basis for a salary of NIS 50,000 and after the completion of the Transaction, Tamir would be engaged on a full-time basis for a salary of NIS 60,000.

   Tamir is also entitled to a special bonus of 1% of the value given to the Company, its shares, its assets, or its operations, as the case may be, upon an Exit Event. "Exit Event" shall mean the sale of all the Company's shares or all or substantially all of the Company's assets in one transaction or in a series of related transaction including by way of a perpetual license to be granted by the Company or by way of merger the result of which will be that the Company's shareholders will hold less than 50% of the shares and voting rights in the surviving entity, and all at a minimal Company valuation of US$100,000,000 (one hundred million).

   The Tamir Employment Agreement is for a non- fixed period and can be terminated by either party, prior to the completion of the IPO, upon the notice period prescribed by applicable law, and thereafter upon 180 days' notice.

   Tamir is entitled to the standard social benefits and fringe benefits as customary. Tamir is obligated to non-disclosure, non-competition, and assignment of Inventions terms under the signed agreements which include the general terms and conditions in this regard as determined by the Company.
   The Company grant Tamir 234,704 restricted ordinary shares constituting 8% of the Company's issued and outstanding share capital in consideration for their par value (the "Shares"). The Shares will be issued to the Trustee of the Company's 2020 Share Option Plan and will be subject to the provisions of such plan and Section 102 of the Israeli tax ordinance in the "Capital Gains" Route. The vesting period of the restricted shares is six months.

   In addition, Tamir has been granted an option to purchase 60,346 ordinary shares of the Company, with an exercise price of NIS 0.01. These Options will vest according to the vesting schedule approved by the Company's board. Following consummation of the IPO, the Options shall be replaced with economically equivalent options to purchase common shares of FTC.

   Provided, however, that all unvested options shall cease to vest and shall automatically expire in the event that Tamir no longer serves as an Employee to the Company, for any reason. Once vested, the options may be exercised according to the conditions of the ESOP plan.

NOTE 7 - REVENUES:

On May 21, 2021, the Company signed the Company signed a revised agreement with the distributor (as described on the December 31, 2020, financial statements). According to the revised agreement, the Company credited the distributorfor the euro 37,000 revenue recognized during 2019, and a new revenue mechanism was agreed between the Company and the distributor.

NOTE 8 -EVENTS DURING AND AFTER THE REPORTING DATE:

1. On September 26, 2021, the Company entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") with FTC Cards Inc. ("FTC") and the shareholders of the Company (the "Shareholders"). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of the Company, in exchange for securities of FTC, constituting a reverse takeover of FTC (the "Transaction"). In connection with the completion of the Transaction, FTC will apply to the list on the Canadian Securities Exchange (the "CSE").

   At the closing of the Transaction, the Company will become a wholly owned subsidiary of FTC (after the Closing, FTC is referred to as the "Resulting Issuer")

   At the Closing, the Shareholders will be issued: (a) such number of common shares of FTC equals 50% plus 1 share of the total number of issued and outstanding Resulting Issuer Shares after giving effect to the Transaction (the "Payment Shares"); and (b) such number of warrants of the Resulting Issuer that equals 50% plus 1 share of the total number of issued and outstanding warrants of the Resulting Issuer outstanding after giving effect to the Transaction (the "Consideration Warrants"). Each Special Warrant will be exercisable for one Resulting Issuer Share at an exercise price of C$1.18 per share for a period of 12 months from the date of Closing ("Closing Date").

   In addition, the Shareholders will be entitled to, in the aggregate, for the satisfaction of each as described below (a) – (d), that number of Resulting Issuer Shares as is equal to 10% of the issued and outstanding Resulting Issuer Shares as at the Closing (the rights to such shares, the "Contingent Rights"), upon satisfaction of each of the following: (a) the Resulting Issuer obtaining orders for at least US$3 million from customers within twelve (12) months of the Closing; (b) the Resulting Issuer achieving US$6 million in cumulative sales within 18 months of the Closing; (c) the Resulting Issuer achieving US$13 million in cumulative sales within 30 months of the Closing; and (d) the Resulting Issuer reaching positive EBITDA by the end of its fiscal year ended December 31, 2023, as confirmed by the audited annual financial statements for the year ended December 31, 2023.

   Subject to the approval of the CSE if the Resulting Issuer signs a definitive agreement with a major industry partner or oil producer on or before December 31, 2023, that results in the Resulting Issuer receiving US$10 million in revenues over a 24-month period, such milestone may be used as a replacement for anyone milestone in (a), (b), (c) or (d) above.

   The SPA provides that no party will solicit or negotiate with any other entities with respect to a transaction similar to the Transaction.

   In addition to any legends required pursuant to applicable securities laws, all of the Payment Shares will be subject to a 36-month staged escrow, and 2,565,536 Payment Shares and will be, subject to a 24 month hold period pursuant to Israeli tax laws.

NOTE 8 - EVENTS DURING AND AFTER THE REPORTING DATE (continued):

The completion of the Transaction is subject to the satisfaction of certain conditions, including but not limited to: (a) closing of the Concurrent Financing (as defined below); (b) the Resulting Issuer having cash of at least US$3.5 million (less the amount of the Seed Loan and Bridge Loan, if any) and no liabilities other than Beyond Oil's Transaction expenses.

FTC and the Company anticipate that the Transaction will be completed in or about March 2022.

If the Company terminates the SPA for any reason other than as provided in the SPA or FTC terminates the SPA: (a) due to a material breach by the Company of any representation, warranty, or covenant which the Company has failed to cure within ten business days; or (b) as a result of the Company completing an alternative transaction, the Company will pay FTC a termination fee of C$150,000 within 5 business days of such termination and repay the Seed Loan and Bridge Loan (as defined below), in accordance with the terms thereof. Finally, If Beyond Oil terminates the SPA due to a material breach by FTC of any representation, warranty, or covenant which FTC has failed to cure within ten business days, FTC shall reimburse the Company, its Transaction related expenses.

The SPA also contains customary representations and warranties and indemnities for breaches of representations and warrants, pre-closing tax losses, and breaches of covenants in the SPA. Fifty percent of the unissued Contingent Rights will effectively be granted as security for the indemnification obligations of the shareholders and may be canceled if, and to the extent, of an indemnification obligation.

In June 2021, FTC completed a seed financing comprised of 12,000,000 FTC Shares at a price of C$0.05 per share for gross proceeds of C$600,000 (the "Seed Financing").

After completion of the Seed Financing, FTC loaned the Company US$155,000 (on July 7, 2021 - $50,000 and on October 1, 2021 - $105,000) pursuant to an unsecured promissory note (the "Seed Loan").

FTC loaned the Company US$750,000 (on November 17, 2021- $450,000, on December 22, 2021 - $175,000, and on January 24, 2022 - $125,000) pursuant to an unsecured promissory note (the "Bridge Loan"). The loan bears a10% interest rate per year.

Proceeds from the Seed Loan have been used by the Company for expenses related to the Transaction and for general working capital. The loan bears a12% interest rate per year. The outstanding principal amount of the Loan shall be due and payable within 90 days following the termination or expiration of the LOI between the Company and FTC (the "Maturity Date") unless prior to such date the Company and FTC executed a definitive binding agreement with respect to the listing transaction contemplated in the LOI, in which case upon the closing of such transaction, the loan amount together with all of the outstanding accrued and unpaid interest, shall be waived.

NOTE 8 - EVENTS DURING AND AFTER THE REPORTING DATE (continued):

Pursuant to the SPA, FTC intends to undertake a bridge financing comprised of approximately 2,500,000 FTC Shares at a price of C$0.50 per share, for gross proceeds of approximately C$1,250,000 (the "Bridge Financing"). It is expected that net proceeds from the Bridge Financing will be used by FTC for expenses related to the Transaction, for general working capital, and for making a secured loan to the Company (the "Bridge Loan"). It is expected that proceeds from the Bridge Loan will be used by the Company to begin implementing Beyond Oil's business plan, for expenses related to the Transaction and for general working capital. On November 8, 2021, FTC granted 975,000 stock options to certain directors, officers, and consultants. The options have an exercise price of $0.50 per share and an expiry date of November 8, 2031. All of the options vested immediately. On November 17, 2021, FTC loaned the Company US$450,000 pursuant to an unsecured promissory note (the "Bridge Loan").

As a condition to closing of the Transaction, FTC intends to complete a concurrent private placement (the "Concurrent Financing") of non-transferable special warrants ("Special Warrants") for aggregate proceeds of approximately C$3.5 million. Each Special Warrant will convert, in prescribed circumstances, into one half of one common share purchase warrant ("Unit Warrants") and one common share.

Subject to the approval of the Exchange, the Resulting Issuer has agreed to pay to Pinhas Or, the founder of Beyond Oil, the sum of US$500,000 upon the Resulting Issuer receiving at least C$2.5 million ($1.96 million) pursuant to the exercise of Unit Warrants and Special Warrants.

The SPA provides that the Resulting Issuer may pay finders' fees to certain finders in the amount of 7.5% of gross proceeds in cash and issue 7% of such number of Resulting Issuer Shares and warrants being issued in connection with the Transaction, to the certain finders, all under such terms detailed in the SPA.

The FTC Board has adopted a 10% rolling stock option plan (the "FTC Option Plan"). Existing Company's stock options will be exchanged for Replacement Options to be governed by the FTC Option Plan. after Closing, additional options will be granted to certain directors, officers, consultants, and employees of

The Company provided that the aggregate of such options and the Replacement Options does not exceed 8% of the issued and outstanding Resulting Issuer Shares.
The Board of directors of the Resulting Issuer Board will include 6 directors at the closing. Between the Closing Date and the Resulting Issuer's annual general meeting to be held in 2022, the Company will be entitled to nominate a seventh director to the Board.

On closing of the Transaction, FTC will change its name to "Beyond Oil Ltd."

NOTE 8 - EVENTS DURING AND AFTER THE REPORTING DATE (continued):

2. On September 26, 2021, the Company signed an allocation agreement with the holders of its preferred shares (the “Preferred Investors” and the “Allocation Agreement”) pursuant to which the Preferred Investors have agreed to the foregoing in exchange for (and in addition to any other consideration the Preferred Investors may be entitled to under the Definitive Agreement as a shareholder of the Resulting Issuer) (i) payment shares and Consideration Warrants having an aggregate value of US$735,000 and US$210,000, respectively; and (ii) execution and delivery of the Investment Return Agreement pursuant to which the Preferred Investors shall be entitled to receive an amount equal to 25% of the Annual Sales Revenue, up to an aggregate amount of US$400,000, in each case allocated on pro-rata basic. The balance of the Consideration Warrants and Payment Shares shall be allocated among all the Company's shareholders pro rata based on their respective distribution of Payment Shares.

   The Preferred Investors also agreed and acknowledged that the existing warrants, according to their terms, shall expire upon the consummation of the Transaction and all previous agreements and understandings between the parties shall be revoked and canceled as of the consummation of the Transaction.

   If the Transaction has not been consummated by March 31, 2022, or the SPA is terminated, the Allocation Agreement shall be deemed terminated automatically.

BEYOND OIL LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020
(Expressed in US dollars)

*The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Beyond Oil Ltd. (the "**Company**") constitutes mmanagement's review of the factors that affected Beyond Oil Israel's financial and operating performance for the three and nine month period ended September 30, 2021 (the "**2021Q3 Period**"). This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of Beyond Oil Israel for the years ended December 31, 2019, and 2020 (the "**Annual Financial Statements**") as well as the unaudited financial statements for the three and nine month interim period ended September 30, 2021 (the "**Interim Financial Statements")**, together with the notes thereto. Results are reported in U.S dollars unless otherwise noted. Beyond Oil Israel's financial statements and the financial information contained in this MD&A are prepared in accordance with IFRS as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of Management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included.*

This MD&A is presented as of the date of this prospectus and is current to that date unless otherwise stated. The financial information presented in this MD&A is derived from the Annual Financial Statements and Interim Financial Statements of Beyond Oil Israel. This MD&A contains forward-looking statements that involve risks, uncertainties, and assumptions, including statements regarding anticipated developments in future financial periods and our plans and objectives. There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on such forward-looking statements. See "*Forward-Looking Statements*" and "*Risk Factors*" in this prospectus.

Overview

See "*General Development and Business of the Company – Beyond Oil Israel – Overview*" for or an overview of the business of Beyond Oil Israel.

Operations Highlights

See "*General Development and Business of the Company – Beyond Oil Israel – History"* for the operational highlights of Beyond Oil Israel during the three month period ended September 30, 2021.

Outlook

See "*General Development and Business of the Company"* and "*Use of Proceeds*" for more information about the outlook of Beyond Oil Israel.

Going Concern

The Interim Financial Statements were prepared on the basis of accounting principles applicable to a going concern, which assumes that Beyond Oil Israel will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Should Beyond Oil Israel be unable to continue as a going concern, the basis of reporting the carrying values of assets may be adjusted. As a going concern, Beyond Oil Israel Bis dependent upon its ability to sustain future profitable operations and to maintain access to financing to meet its obligations and repay its liabilities arising from normal business operations as they come due. These Interim Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should Beyond Oil Israel not be able to continue as a going concern. Presently, following the completion of the Proposed Transaction, management believes that Beyond Oil Israel has sufficient funds available to maintain corporate activity and execute its business plan for the ensuing 24 months.

Discussion of Operations

Results of Operations for the Three Months Ended September 30, 2021:

During the three months ended September 30, 2021, and September 30, 2020, Beyond Oil Israel had $nil income.

During the three months ended September 30, 2021, Beyond Oil Israel incurred research and development expenses of $80,447 compared to $70,852 for the three months ended September 30, 2020. The increase derives mainly from an increase in professional fees.

During the three months ended September 30, 2021, Beyond Oil Israel incurred general and administrative expenses of $551,901 compared to $339,036 for the three months ended September 30, 2020. The increase is mainly due to an increase in labor expenses, share based compensation (due to options and restricted shares granted to employees), and professional fees related to the Share Purchase Agreement of the Proposed Transaction, which was partially offset by a decrease in special termination expenses. Also, during the three months ended September 30, 2021, Beyond Oil Israel had an impairment loss on intangible assets of $nil compared to $1,845,877 for the three months ended September 30, 2020.

As a result, Beyond Oil Israel incurred a net loss in the amount of $634,589 for the three months ended September 30, 2021, compared to a loss of $2,258,877 for the three months ended September 30, 2020.

Results of Operations for the Nine Months Ended September 30, 2021:

During the nine months ended September 30, 2021, Beyond Oil Israel had a credit income of $42,918 compared to $nil for the year ended September 30, 2020.

During the nine months ended September 30, 2021, Beyond Oil Israel incurred research and development expenses of $253,877 compared to $259,204 for the nine months ended September 30, 2020. The decrease derives mainly from a decrease in the sub-contractors expenses, that was offset by a decrease in the proceeds from the Israel Innovation Authority grant in nine months ended on September 30, 2021, compared to the nine months ended September 30, 2020.

During the nine months ended September 30, 2021, Beyond Oil Israel incurred general and administrative expenses of $1,179,957 compared to $908,198 for the nine months ended September 30, 2020. The increase is mainly due to an increase in labor expenses, share based compensation (due to options and restricted shares granted to employees), and professional fees related to the Share Purchase Agreement. That was offset from the decrease in special termination expenses. Also, during the nine months ended September 30, 2021, Beyond Oil Israel had an impairment loss on intangible assets of $nil compared to $1,845,877 for the nine months ended September 30, 2020.

As a result, Beyond Oil Israel incurred a net loss in the amount of $1,466,380 for the nine months ended September 30, 2021, compared to a loss of $3,024,082 for the nine months ended September 30, 2020.

The net loss for the nine months ended September 30, 2021, of $1,466,380, (as of September 30, 2020 – loss of $3,024,082) after adjustments for non-cash items and changes in other working capital balances, resulted in a net decrease in cash from operating activities of $477,738 (September 30, 2020: $384,029). During the nine months ended

(Expressed in US dollars)

September 2021, Beyond Oil Israel used $15,391 for investment activity (September 30, 2020: - $20,485), mainly for the purchase of property and equipment.

For the nine months ended September 30, 2021, Beyond Oil Israel raised $nil through the issuance of securities (September 30, 2020: $385,250. As of September 30, 2021, net proceeds from financing activities were $34,136 (September 30, 2020: $372,407). Consequently, Beyond Oil Israel's cash position decreased from $486,032 at the beginning of the year to $36,199 as of September 30, 2021, compared to a decrease from $546,443 at the beginning of the year to $510,246 as of September 30, 2020.

Summary of Quarterly Results

A summary of quarterly results has not been provided as Beyond Oil Israel has not previously prepared financial statements on a quarterly basis prior to becoming a reporting issuer.

Liquidity and Capital Resources

Pursuant to the terms of the Share Purchase Agreement, FTC advanced to Beyond Oil Israel a secured bridge loan in the amount of $$750,000 for transaction and operating expenses (the "**Bridge Loan**"). FTC also previously advanced Beyond Oil Israel the sum of $50,000 by way of a seed loan on July 7, 2021, and a further $105,000 on October 1, 2021 (together, the "**Seed Loan**").

As of January 31, 2022, Beyond Oil Israel has a cash balance of $393,121 and negative working capital of $1,120,516.

In addition, Beyond Oil Israel has the following contractual obligations as of September 30, 2021:

Contractual Obligation	**Total**	**Less than 1 year**	**1 – 2 Years**	**2 – 3 Years**	**3 – 4 Years**	**After 4 Years**
Debt	Nil	Nil	Nil	Nil	Nil	Nil
Finance Lease Obligations	Nil	Nil	Nil	Nil	Nil	Nil
Operating Leases[1]	(115,423)	(33,559)	(34,156)	(34,754)	(12,954)	Nil
Purchase Obligations	Nil	Nil	Nil	Nil	Nil	Nil
Other Obligations	(1,000,645)	(619,762)	Nil	Nil	Nil	(380,883)
Total	**(1,116,068)**	**(653,321)**	**(34,156)**	**(34,754)**	**(12,954)**	**(380,883)**

Notes:

(1) Represents proceeds of the Seed Loan advanced on July 7, 2021.

(2) Beyond Oil Israel's operating leases consist of (i) a lease arrangement for office space in Kibbutz Yifat, Israel the term of which ends in October 2024, subject to an option to extend for six additional years; and (ii) a lease arrangement for factory space in Migdal Haemek, Israel the term of which ,ends in March 2025, subject to an option to extend the option for two additional years.

Beyond Oil Israel's business currently does not generate revenue or positive cash flows from operations and is reliant on equity and debt financing and government grants/awards to provide the necessary cash to continue its research and development activities and ongoing operations.

Beyond Oil Israel's cash flow forecasts are continually updated to reflect actual cash inflows and outflows so to monitor the requirements and timing for additional financial resources. Further, Beyond Oil Israel continues to monitor additional opportunities to raise equity capital and/or secure additional funding through non-dilutive sources such as government grants. However, it is possible that its cash and the working capital position may not be enough to meet its business objectives in the event of unforeseen circumstances or a change in strategic direction.

In addition, FTC has completed the Concurrent Financing, as described in the Interim condensed financial statements of Beyond Oil Israel, Note 8(1), and upon closing of the Proposed Transaction and the issue of a receipt for the final prospectus. Accordingly, upon and assuming completion of the Proposed Transaction, The Resulting Issuer anticipates having cash on hand of approximately C$4,099,000 which is allocated to financing operating expenses and executing its business plan. See "*Use of Available Funds"* and "*Use of Proceeds*" in this prospectus.
In the event, the Proposed Transaction is not completed for any reason, the Bridge Loan and Seed Loan, and all accrued and unpaid interest thereon must be repaid and the proceeds of the Concurrent Financing will not be available to Beyond Oil Israel. In addition, if the Share Purchase Agreement is terminated by FTC in certain prescribed circumstances (including for breach of the agreement by Beyond Oil Israel), Beyond Oil Israel will be required to pay to FTC the sum of C$150,000. In such an event, Beyond Oil Israel will be required to raise additional funds from third parties and there can be no assurance that Beyond Oil Israel will be able to do so. If Beyond Oil Israel is unable to raise additional funds, FTC will have rights as a secured creditor to enforce its security interest on Beyond Oil Israel's assets and Beyond Oil Israel will be required to significantly change or curtail the current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated or third party financing is secured, all having material adverse consequences to Beyond Oil Israel.

Beyond Oil Israel's capital is not subject to any external restriction and Beyond Oil Israel did not change its approach to capital management during the period.

Off-Balance-Sheet Arrangements

Beyond Oil Israel does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Beyond Oil Israel, including, and without limitation, such considerations as liquidity and capital resources.

(Expressed in US dollars)

Related Party Transactions

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Compensation of key management personnel of Beyond Oil Israel:		
CEO Management fees (*)	138,142	129,534
CEO Management fees (**)	185,522	-
CMO Management fees	66,928	58,670

(*) Relates to Mr. Pinhas Or, the previous CEO of Beyond Oil Israel.
(**) Relates to Mr. Tamir Gedo, the Current CEO of Beyond Oil Israel.

During the nine month period ended September 30, 2021, Beyond Oil Israel entered the Amended Consulting Agreement, the Employment Agreement, the Amended Assignment of Intellectual Property Agreement, the Amended Founders Agreement, the Amended Trade Secret Agreement, each of which is described above under the history section of Beyond Oil Israel in this prospectus for a description of the Proposed Transaction.

Proposed Transactions

On September 26, 2021, Beyond Oil Israel and its shareholders entered into the Share Purchase Agreement for the Proposed Transaction. See this prospectus for a description of the Proposed Transaction.

Critical Accounting Estimates

Please refer to note 2 of the Annual Financial Statements and Interim Financial Statements for a description of Beyond Oil Israel's critical accounting estimates.

Changes in Accounting Policies Including Initial Adoption

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to December 31, 2021 (the date on which Beyond Oil Israel's next annual financial statements will be prepared up to) that Beyond Oil Israel has decided not to adopt early. Beyond Oil Israel does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

Financial Instruments

Beyond Oil Israel's financial instruments consist of cash, trade and other receivables, trade payables, and other liabilities.

Risk Management

Beyond Oil Israel is exposed to risks that arise from its use of financial instruments. Beyond Oil Israel's exposures to financial risk and how Beyond Oil Israel manages each of those risks are described in Beyond Oil Israel's MD&A for the year ended December 31, 2020. There were no significant changes to Beyond Oil Israel's exposure to those risks or to Beyond Oil Israel's management of its risk exposures during the nine months ended September 30, 2021

Determination of Fair Value

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value on a recurring basis, whether changes in fair value are recognized at fair value through profit or loss or fair value through other comprehensive income ("**FVTOCI**").

Beyond Oil Israel classifies its financial assets based on the business model for managing the financial asset and its contractual cash flow characteristics. These assets arise principally from the provision of goods (e.g., trade accounts receivable), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Beyond Oil Israel does not, and has not previously, engaged in any hedging activities.

Beyond Oil Israel measures financial instruments at fair value, grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Level 3 - Inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

Liabilities such as accounts payable, accrued liabilities, are initially recognized at fair value plus transaction costs that are directly attributable to the issue of the instrument and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss (preferred shares liability) and derivatives (derivative liability – warrants and options).

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The issue of a unit of securities involves the allocation of the proceeds received (before issue expenses) to the securities issued in the unit based on the following order: financial derivatives and other financial instruments measured at fair value in each period. Then the fair value is determined for financial liabilities that are measured at amortized cost. The proceeds allocated to equity instruments are determined to be the residual amount. Issue costs are allocated to each component pro rata to the amounts determined for each component in the unit.

EXHIBIT D

Pro Forma Financial Statements

Beyond Oil Ltd. (formerly FTC Cards Inc.)

Pro Forma Consolidated Financial Statements
As of September 30, 2021,
for the year ended December 31, 2020,
and for the nine months ended September 30, 2021

Expressed in U.S. dollars
(unaudited)

Beyond Oil Ltd.

Unaudited Pro Forma Consolidated Statement of Financial Position

As of September 30, 2021

Expressed in United States Dollars

	Beyond Oil Ltd. September 30, 2021	FTC Cards Inc. September 30, 2021	Pro Forma Adjustments September 30, 2021	Notes	Pro Forma Balance September 30, 2021
Assets					
Current assets					
Cash and cash equivalents	$ 36,199	$ 327,826	$ 981,380	2A1	$ 3,612,269
			2,747,863	2A2	
			(262,500)	2C	
			(218,499)	2F	
Restricted deposit	2,283	—	—		2,283
Loan receivable	—	50,000	(50,000)	2G	—
Other accounts receivable	30,882	10,768	—		41,650
Total current assets	69,364	388,594	3,198,244		3,656,202
Long-term assets					
Lease asset, net	81,382	—	—		81,382
Intangible asset, net	4,068,664	—	—		4,068,664
Property and equipment, net	175,152	—	—		175,152
Total Assets	$ 4,394,562	$ 388,594	$ 3,198,244		$ 7,981,400
Liabilities and Shareholders' Equity					
Current liabilities					
Trade accounts payable	$ 32,692	$ 117,740	$ —		$ 150,432
Loan from others	50,000	—	(50,000)	2G	—
Other accounts payable	266,728	—	—		266,728
Related party	270,342	—	—		270,342
Derivative liability – warrants and options	463	—	58,335	2A	139,875
			74,780	2B	
			6,760	2E	
			(463)	2E	
Advanced payment	67,107	—	—		67,107
Total current liabilities	687,332	117,740	89,412		894,484
Long-term liabilities					
Preferred share liability	380,883	—	(380,883)	2E	323,507
			323,507	2E	
Lease liability	95,912	—	—		95,912
Total long-term liabilities	476,795	—	(57,376)		419,419
Total Liabilities	1,164,127	117,740	32,036		1,313,903

Beyond Oil Ltd.

Unaudited Pro Forma Consolidated Statement of Financial Position

As of September 30, 2021

Expressed in United States Dollars

Shareholders' Equity					
Share capital and premium	1,129,271	6,990,674	3,670,908	2A	14,655,062
			9,126,643	2B	
			(6,990,674)	2D	
			728,240	2E	
Share subscriptions received in advance	—	23,553	(23,553)	2D	—
Reserve from share-based compensation transactions	7,406,418	—	968,885	2C	8,375,303
Reserve from transaction with controlling shareholder	920,245	—	—		920,245
Foreign currency translation reserve	770,173	4,780	(4,780)	2D	770,173
Accumulated deficit	(6,995,672)	(6,748,153)	(8,930,569)	2B	(18,053,286)
			(968,885)	2C	
			(262,500)	2C	
			6,748,153	2D	
			381,346	2E	
			(735,000)	2E	
			(323,507)	2E	
			(218,499)	2F	
Total Shareholders' Equity	3,230,435	270,854	3,166,208		6,667,497
Total Liabilities and Shareholders' Deficit	$ 4,394,562	$ 388,594	$ 3,198,244		$ 7,981,400

The accompanying notes are an integral part of the pro forma consolidated financial statement

Beyond Oil Ltd.

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

For the nine months ended September 30, 2021

Expressed in United States Dollars

	Beyond Oil Ltd. September 30, 2021	FTC Cards Inc. September 30, 2021	Pro Forma Adjustments September 30, 2021	Notes	Pro Forma Balance September 30, 2021
Revenues	(42,918)	—	—		(42,918)
Operating expenses					
Research and development	$ (253,877)	$ —	—	$	$ (253,877)
General and administrative	(1,179,957)	(261,622)	—		(1,441,579)
Total expenses	(1,433,834)	(261,622)	—		(1,695,456)
Loss before other items	(1,476,752)	(261,622)			(1,738,374)
Finance income	21,825	—	—		21,825
Finance expenses	(11,453)	(1,160)	—		(12,613)
Net Loss and comprehensive loss	$ (1,466,380)	$ (262,782)	—	$	$ (1,729,162)
Basic and Diluted Earnings (Loss) Per Common Share	$ (0.54)	$ (0.04)		$	$ (0.04)
Weighted Average Number of Common Shares Outstanding	2,699,094	7,974,661			48,821,011

The accompanying notes are an integral part of the pro forma consolidated financial statement.

Beyond Oil Ltd.

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

For the year ended December 31, 2020

Expressed in United States Dollars

	Beyond Oil Ltd. December 31 2020	FTC Cards Inc. December 31 2020	Pro Forma Adjustments December 31 2020	Notes	Pro Forma Balance December 31 2020
Revenues	—	—	—		—
Operating expenses					
Research and development	$ (219,108)	$ —	— $		$ (219,108)
General and administrative	(1,186,267)	(107,453)	(968,885)	2C	(2,743,604)
			(262,500)	2C	
			(218,499)	2F	
Impairment loss	(1,865,884)	—	—		(1,865,884)
Total expenses	(3,271,259)	(107,453)	(1,449,884)		(4,828,596)
Loss before other items	(3,271,259)	(107,453)	876,002		(2,502 ,710)
Gain on investment	—	516,739	—		516,739
Gain on remeasurement of derivative liability	—	—	381,346	2E	57,839
			(323,507)	2E	
Finance expenses	(13,474)	(5,974)	(735,000)	2E	(754,448)
Listing expense	—	—	(8,930,569)	2B	(8,930,569)
Net Loss and comprehensive loss	$ (3,284,733)	$ 403,312	(10,322,614) $		$ (13,939,035)
Basic and Diluted Loss Per Common Share	$ (1.27)	$ 0.01	$		$ (0.29)
Weighted Average Number of Common Shares Outstanding	2,584,936	3,535,101			48,821,011

The accompanying notes are an integral part of the pro forma consolidated financial statement.

1. NATURE OF OPERATIONS and BASIS OF PRESENTATION

These unaudited pro forma consolidated financial statements of Beyond Oil Ltd. (formerly FTC Cards Inc.) ("**Beyond Oil**" or the "Resulting Issuer") have been prepared by management for the purpose of inclusion in the prospectus to which they are attached. These pro forma consolidated financial statements give effect to the proposed reverse takeover of FTC Cards Inc. ("**FTC**") by Beyond Oil Ltd., a corporation incorporated under the laws of Israel ("**Beyond Oil Israel**") under a definitive share purchase agreement dated September 26, 2021 (the "**SPA**"). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of the Company, in exchange for securities of FTC, constituting a reverse takeover of FTC (the "**Transaction**").

These pro forma consolidated financial statements include:

A. A pro forma consolidated statement of financial position as of September 30, 2021, prepared from the unaudited statement of financial position of Beyond Oil Israel and the unaudited statement of financial position of FTC translated to United States Dollars ("**USD**") using the exchange rate of 0.7851. The pro forma consolidated financial statement gives the effect as if the reverse acquisition accounted as asset acquisition occurred on September 30, 2021.

B. A pro forma consolidated statement of loss and comprehensive loss for the nine months ended September 30, 2021, prepared from the unaudited statement of loss and comprehensive loss of Beyond Oil Israel and the unaudited statement of loss and comprehensive loss of FTC, translated to USD using the exchange rate of 0.7997, as if the transaction occurred on January 1, 2020.

C. A pro forma consolidated statement of loss and comprehensive loss for the year ended December 31, 2020, prepared from the audited statement of loss and comprehensive loss of Beyond Oil Israel and the audited statement of loss and comprehensive loss of FTC, translated to USD using the exchange rate of 0.747, as if the transaction occurred on January 1, 2020.

At the closing of the Transaction, Beyond Oil Israel will become a wholly owned subsidiary of FTC. At closing, the shareholders of Beyond Oil Israel will be issued: (a) such number of common shares of FTC as equals 50% plus 1 share of the total number of issued and outstanding shares of the Resulting Issuer after giving effect to the Transaction (the "**Payment Shares**"); and (b) such number of warrants of FTC that equals 50% plus 1 share of the total number of issued and outstanding warrants of the Resulting Issuer outstanding after giving effect to the Transaction (the "**Consideration Warrants**"). Each Consideration Warrant will be exercisable for one FTC share at an exercise price of C$1.18 per share for a period of 12 months from the date of closing.

Expressed in United States Dollars

In addition, the Beyond Oil Israel shareholders will be entitled to, in the aggregate, that number of FTC shares as is equal to 10% of the issued and outstanding shares of the Resulting Issuer as at the closing (the rights to such shares, the "**Contingent Rights**"), upon satisfaction of each of the following: (a) the Resulting Issuer obtaining orders for at least US$3 million from customers within twelve (12) months of the closing; (b) the Resulting Issuer achieving US$6 million in cumulative

sales within 18 months of the closing; (c) the Resulting Issuer achieving US$13 million in cumulative sales within 30 months of the closing; and (d) the Resulting Issuer reaching positive EBITDA by the end of its fiscal year ended December 31, 2023, as confirmed by the audited annual financial statements for the year ended December 31, 2023.

Subject to the approval of the CSE if the Resulting Issuer signs a definitive agreement with a major industry partner or oil producer on or before December 31, 2023, that results in the Resulting Issuer receiving US$10 million in revenues over a 24-month period, such milestone may be used as a replacement for anyone milestone in (a), (b), (c) or (d) above.

The fair value of the warrants as of September 30, 2021, is $148,625 and was determined using the Black-Scholes pricing model with the following assumptions:

	Warrants Issued Pursuant to Concurrent Financing	Consideration Warrants issued to Beyond Oil Israel Shareholders
Expected life of warrants	1 year	1 year
Expected volatility	50%	50%
Expected dividend yield	0%	0%
Risk-free interest rate	0.29%	0.29
Exercise price	C$ 1.25	C$1.18
Share price	C$0.7183	C$0.7183

These unaudited pro forma financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). These pro forma financial statements do not contain all of the information required for annual financial statements. Accordingly, they should be read in conjunction with the most recent annual consolidated financial statements of Beyond Oil Israel and FTC.

The unaudited pro forma financial statements have been compiled using the significant accounting policies as set out in the audited consolidated financial statements of Beyond Oil Israel for the year ended December 31, 2020.

The transaction has been accounted for as a reverse takeover ("RTO") and in accordance with IFRS 2, Share Based Payment. Although FTC is the legal acquirer, Beyond Oil Israel has been determined to be the acquirer for accounting purposes on the basis that the former shareholders of Beyond Oil Israel will own 50.01% of the issued and outstanding common shares of the combined company following the Transaction, which means the control of the combined companies passed to the former shareholders of Beyond Oil Israel. As a result, the unaudited pro forma financial statements are a continuation of the financial statements of Beyond Oil Israel, together with a deemed issuance of shares, equivalent to the shares held by the former shareholders of FTC.

As FTC did not qualify as a business according to the definition in IFRS 3 Business Combination, the RTO does not constitute a business combination. It is treated as an issuance of shares by Beyond Oil Israel for the net asset of FTC. Consideration paid by Beyond Oil Israel for FTC net assets is measured by calculation the number of common shares that Beyond Oil Israel would have had to issue to acquire all of the outstanding shares of FTC in order to provide the same percentage ownership as if they have in the combined entity as a result of the RTO. The fair value of FTC's common shares was used in measuring the consideration paid and is based on the closing price of the transaction date.

FTC functional currency is in Canadian Dollar. Accordingly, the assets and liabilities were translated at the closing exchange rate at each reporting date. Profit or loss items were translated at average exchange rates for all periods presented. The resulting translation differences are recognized in other comprehensive loss.

It is management's opinion that these pro forma financial statements include all adjustments necessary for the fair presentation, in all material respects, of the proposed transaction described above in accordance with IFRS applied on a basis consistent with Beyond Oil Israel's accounting policies.

No adjustments have been made to reflect potential cost savings that may occur subsequent to the completion of the transaction. The pro forma consolidated statement of loss and comprehensive loss does not reflect non-recurring charges or credits directly attributable to the transaction, of which none are currently anticipated.

The unaudited pro forma financial statements are not intended to reflect the results of operations or the financial position of the Resulting Issuer which would have actually resulted had the proposed transaction been effected on the dates indicated. Further, the unaudited pro forma financial information is not necessarily indicative of the results of operations that may be obtained

in the future. The actual pro forma adjustments will depend on a number of factors and could result in a change to the unaudited pro forma financial statements.
On September 26, 2021, Beyond Oil Israel signed an allocation agreement with the holders of its preferred shares (the "Preferred Investors" and the "Allocation Agreement") pursuant to which the Preferred Investors agreed to the foregoing in exchange for (and in addition to any other consideration the Preferred Investors may be entitled to under the Definitive Agreement as a shareholder of the Resulting Issuer) (i) payment shares and consideration warrants having an aggregate value of US$735,000 and US$210,000, respectively; and (ii) execution and delivery of the Investment Return Agreement pursuant to which the Preferred Investors shall be entitled to receive an amount equal to 25% of the Annual Sales Revenue, up to an aggregate amount of US$400,000, in each case allocated on pro-rate basic. The balance of the consideration warrants and payment shares shall be allocated among all Beyond Oil Israel shareholders pro rata based on their respective distribution of Payment Shares.

The Preferred Investors also agreed and acknowledged that the existing warrants, according to their terms, shall expire upon the consummation of the Transaction and all previous agreements and understandings between the parties shall be revoked and canceled as of the consummation of the Transaction.
If the Transaction has not been consummated by March 31, 2022, or the SPA is terminated, the Allocation Agreement shall be deemed terminated automatically.

Expressed in United States Dollars

2. Pro forma assumptions

The pro forma consolidated financial statements give effect to the following transactions and assumptions, which are presented in the adjusting entries column:

A.
1. FTC will complete the bridge financing of 2,500,000 common shares grants at a price of C$0.5 per share for gross proceeds of C$1,250,000 ($981,380).
2. FTC will complete the concurrent financing of 4,666,667 special warrants at a price of C$0.75 per share for gross proceeds of C$3,500,000 ($2,747,863) which will result in the issue of 4,666,667 common shares and 2,333,334 warrants.

B. A reverse takeover transaction involving a non-public operation entity and anon-public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of shares by the non-public operating activity, Beyond Oil Israel, for the net assets and the listing status of the non-operating public company, FTC. The fair value of the consideration paid is summarized as follow:

Cost of acquisition	
Deemed issuance of 22,701,770 common shares to the shareholders of FTC at $0.567 (C$0.7183) (share price of common share after deducting the warrant fair value for the total price of the transaction).	$ 12,872,331
The fair value of FTC's warrants exchanged	58,335
Total consideration	12,930,666
The fair value of net assets acquired, including bridge financing and concurrent financing described above.	4,000,097
Excess of considerations over net assets acquired	$ 8,930,569

C. In connection with the completion of the Transaction, FTC will issue 1,708,735 Common Shares at $0.567 (C$0.7183) to certain arm's length advisers and $262,500 in cash as finders fees. In addition, in connection with the concurrent financing of 4,666,667 special warrants, FTC will issue 350,000 warrants in the same price and terms as FTC shareholders have been granted as finder's fees. The fair value of the share price of the common share as of September 30, 2021, was determined after deducting the warrant fair value from the total price of the transaction $0.592 (C$0.75).
The fair value of the shares as of September 30, 2021, is $968,885.

D. Contributed surplus balances of FTC are eliminated.

Expressed in United States Dollars

E. In connection with the Transaction, Beyond Oil Israel signed an allocation agreement with the holders of its preferred shares pursuant to which those shareholders are entitled to US$735,000 of FTC common shares and US$210,000 of warrants, in priority to the distribution of Payment Shares and Consideration Warrants to any other shareholder as a result of which Beyond Oil Israel derecognized the Derivative liability – Warrants and Options and recognized the new grant of 1,225,000 ordinary shares and 222,457 warrants in the Resulting Issuer having a value of $735,000. Also, Beyond Oil Israel derecognized the share-based liability that was valued as of September 30, 2021, and recognized the fair value of funds that will be paid based on the future revenues for the share based liability fair value of $323,507. For additional information, please see note 1.

F. Costs associated with the transaction to be paid in cash are estimated to be $218,499 and are expensed accordingly.

G. Intercompany balance of FTC and Beyond Oil Israel is eliminated.

3. Pro forma share capital

As a result of the Transaction and the pro-forma assumptions and adjustments, the pro forma share capital of the Resulted Issuer as of September 30, 2021, is comprised of the following:

FTC	**Number of shares**	**Amount**
		$
FTC common shares issued as of September 30, 2021	15,535,103	1,129,271
FTC Shares issued in connection to the bridge financing	2,500,000	981,380
FTC Shares issued in connection to the Concurrent financing	4,666,667	2,806,198
FTC Shares issued to Beyond Oil Israel shareholders in connection to the Transaction	24,410,506	9,854,883
FTC Shares issued as finder fees (See note 2B)	1,708,735	-
Total shares outstanding of FTC after completion of the Transaction	**48,821,011**	**14,655,062**

4. Loss per share – basic and diluted

The calculation of the pro forma consolidated basic and diluted loss per share in the pro forma consolidated statement of loss and comprehensive loss for the nine months ended September 30, 2021, is based upon the assumption that FTC issued 24,410,506 common shares to the shareholders of Beyond Oil Israel to complete the Transaction.

FTC's options and warrants would be anti-dilutive for the period presented if converted.

5. Pro forma statutory income rate

The pro forma effective statutory income tax rate of the combined companies will be 26.5%. No provision for loss carry forward and the resulting income tax benefit has been made for the combined entity in the pro forma financial statements.

CERTIFICATE OF THE COMPANY

Dated: February 17, 2022

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan and Ontario.

"Robert Kiesman"
Robert Kiesman
Chief Executive Officer and Director

"Tag Gill"
Tag Gill
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Nir Eliyahu"
Nir Eliyahu
Director

"Kyle Haddow"
Kyle Haddow
Director

CERTIFICATE OF BEYOND OIL ISRAEL

Dated: February 17, 2022

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan and Ontario.

"Tamir Gedo"	*"Shany Touboul"*
Dr. Tamir Gedo	Shany Touboul
Chief Executive Officer and Director	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Dan Itzhaki"	*"Moshe Cohen"*
Dan Itzhaki	Moshe Cohen
Director	Director

CERTIFICATE OF THE PROMOTERS

Dated: February 17, 2022

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan and Ontario.

"Robert Kiesman"
Robert Kiesman
Promoter

"Jonathan Or"
Jonathan Or
Promoter