FTC CARDS INC.

Independent auditors' report

Financial statements
As of December 31, 2021

FTC CARDS INC.

Financial statements
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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, 2021, and 2020, and the respective statements of loss and comprehensive loss, changes in 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, 2021, and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

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 Notes 2.c and 4, 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 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, May 02, 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 DECEMBER 31, 2021 AND 2020
(Expressed in Canadian Dollars)

	2021	2020
	$	$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,689,193	65,369
Loans receivable (Note 4)	988,884	-
Goods and services tax recoverable	19,038	1,186
	2,697,115	66,555
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Notes 5, 9)	59,722	21,976
EQUITY		
Share capital (Note 6)	10,148,891	8,305,106
Share subscriptions received (Note 6)	1,243,094	-
Reserves (Note 6)	360,750	-
Deficit	(9,115,342)	(8,260,527)
	2,637,393	44,579
	2,697,115	66,555

GOING CONCERN (Note 2(c))
SUBSEQUENT EVENTS (Note 11)

Approved on behalf of the Board of Directors on May 2, 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.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in Canadian Dollars)

	2021	2020
	$	$
EXPENSES		
Accounting and audit	28,718	4,100
Consulting, director and management fees	248,235	65,408
Filing fees and transfer agent	25,771	3,238
Foreign exchange	11,602	(2,824)
Legal fees	177,078	70,025
Office and miscellaneous expenses	2,661	13,369
Share-based compensation	360,750	-
Gain on settlement of advance	-	(55,000)
Gain on debt settlement	-	(344,000)
Gain on sale of investment	-	(294,000)

FTC CARDS INC.		
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	(854,815)	539,684
BASIC AND DILUTED LOSS PER SHARE	(0.08)	0.15
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	10,214,794	3,535,101

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

FTC CARDS INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Special Warrant Subscriptions Received	Reserves	Shareholders 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 income	-	-	-	-	-	539,684	-	539,684
Sale of investment	-	-	-	-	309,554	(3,121,050)	2,811,496	-
Balance as at December 31, 2020	3,535,101	8,305,106	-	-	-	(8,260,527)	-	44,579
Issuance of common shares, net (Note 6)	14,500,000	1,843,785	-	-	-	-	-	1,843,785
Special Warrant subscriptions received (Note 6)	-	-	1,243,094	-	-	-	-	1,243,094
Share-based compensation (Note 6)	-	-	-	360,750	-	-	-	360,750
Net loss	-	-	-	-	-	(854,815)	-	(854,815)
Balance as at December 31, 2021	18,035,101	10,148,891	1,243,094	360,750	-	(9,115,342)	-	2,637,393

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

FTC CARDS INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in Canadian Dollars)

	2021	**2020**
	$	$
OPERATING ACTIVITIES		
Loss for the period	(854,815)	539,684
Items not involving cash:		
Share-based compensation	360,750	-
Foreign exchange loss on loan receivable	10,184	-
Gain on settlement of advance	-	(55,000)
Gain on debt settlement	-	(344,000)
Gain on sale of investment	-	(294,000)
	(483,881)	(153,316)
Changes in non-cash working capital items:		
Goods and services taxes recoverable	(17,852)	(187)
Accounts payable and accrued liabilities	37,746	19,033
CASH FLOWS USED IN OPERATING ACTIVITIES	(463,987)	(134,470)
INVESTING ACTIVITIES		
Loans receivable advanced	(999,068)	-
CASH FLOWS USED BY INVESTING ACTIVITIES	(999,068)	-
FINANCING ACTIVITIES		
Proceeds from the issuance of common shares, net	1,843,785	-
Special Warrant subscriptions received	1,243,094	-
Loan payable received	-	55,000
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	3,086,879	55,000
CHANGE IN CASH DURING THE YEAR	1,623,824	(79,470)
CASH, BEGINNING OF YEAR	65,369	144,839
CASH, END OF YEAR	1,689,193	65,369
Cash paid for:		
Income taxes	-	-
Interest	-	-

The accompanying notes are an integral part of these 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, Arie Halpern. 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.

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 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") and Interpretations of the Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Board of Directors on May 2, 2022.

b) Basis of presentation

These 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.

c) Going concern

These 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 are dependent upon the extent to which it can successfully raise the capital to implement its future plans. As at December 31, 2021, the Company had working capital of $2,637,393, an accumulated deficit of $9,115,342 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.

d) Use of estimates and judgments

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 condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PREPARATION (continued)

d) Use of estimates and judgments (continued)

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 estimates

i. The inputs used in calculating deferred income taxes.
ii. The inputs used in calculating share-based compensation. The fair value of share-based compensation is determined using a Black-Scholes option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

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.

e) Functional and reporting currency

These financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company to all years presented.

a) Cash

The Company's cash consists of demand deposits held at large Canadian financial institutions.

b) 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 tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from share-based payment reserve.

d) Share issuance costs

The Company accounts for share issuance costs by deferring the costs until the shares are issued, at which time the costs are charged to share capital as share issue costs. If the share offering does not proceed, the costs are expensed.

e) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

f) Financial instruments

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

Measurement – financial assets

Financial assets at FVTOCI

Financial assets valued through other comprehensive income are financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and sell financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at fair value through other comprehensive income ("FVTOCI") is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings. The Company has no financial assets designated as FVTOCI.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments constituted solely of payments of principal and interest that are held within a "held to collect" business model. Financial assets at amortized cost are initially recognized at the amount expected to be received, less, when material, a discount to reduce the financial assets to fair value. Subsequently, financial assets at amortized cost are measured using the effective interest method less a provision for expected losses. The Company's cash and loans receivable are classified as amortized cost.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of comprehensive income and loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive income and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive income and loss in the period in which they arise. The Company has no financial assets classified as FVTPL.

Measurement – financial liabilities

Financial liabilities at amortized cost

All financial liabilities are initially recorded at fair value less transaction costs and classified as either FVTPL or at amortized cost. The Company's accounts payable is classified as amortized cost.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Impairment of financial assets

Amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive income and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive income and loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income and loss.

Financial liabilities

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

h) New accounting standards

A number of new standards and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2021, and have not been applied in preparing these financial statements. The new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

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 applied to list on the Canadian Securities Exchange (the "CSE") and has received conditional approval.

<u>Transaction Terms</u>

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").

4. PROPOSED TRANSACTION AND LOANS RECEIVABLE (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 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.

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 certain Vend-In Shares will also 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”).

Although, there can be no assurance that the Transaction will be completed on the terms proposed above, or at all, on April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus and FTC expects the Transaction will close on or about May 5, 2022.

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.

4. PROPOSED TRANSACTION AND LOANS RECEIVABLE (continued)

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"). In addition, if the Transaction completes, 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 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, FTC loaned Beyond Oil US$155,000 ($198,610) 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 December 31, 2021 was $196,509.

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 $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 paid a finder's fee equal to 7% in cash to certain finders from proceeds in the Bridge Financing.

After completion of the Bridge Financing, FTC loaned Beyond Oil US$625,000 ($800,458) pursuant to a secured promissory note (the "Bridge Loan"). Proceeds from the Bridge 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 Bridge Loan at December 31, 2021 was $792,375.

Concurrent Financing

As a condition to closing of the Transaction, in Fiscal 2022, FTC completed a concurrent private placement (the "Concurrent Financing") of non-transferable special warrants ("Special Warrants") for aggregate proceeds of approximately $3,500,000. At December 31, 2021, the Company had received $1,243,094 for subscriptions to the Concurrent Financing.

Each Special Warrant has an issue price of $0.75 per Special Warrant (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. On April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus.

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.

(Expressed in Canadian dollars)

4. PROPOSED TRANSACTION AND LOANS RECEIVABLE (continued)

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.

5. ACCOUNTS PAYABLE

The Company's accounts payable are as follows:

	December 31, 2021	December 31, 2020
Trade payables	43,972	21,976
Due to related parties (Note 8)	15,750	-
	59,722	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 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 to $764,000.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

e) 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 to $486,000. The Company incurred cash share issuance costs of $5,250.

f) During the year ended December 31, 2021, the Company received $1.243.094 for subscriptions to a private placement of Special Warrants. Each Special Warrant will have an issue price of $0.75 per Special Warrant (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. On April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus.

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.

g) 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.

During the year ended December 31, 2021, the Company granted 975,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.50, expiring on November 8, 2031. The Company recognized share-based compensation of $360,750.

The Company had the following stock options outstanding at December 31, 2021 and 2020:

Expiry Date	Exercise Price	December 31, 2020	Granted	December 31, 2021	Exercisable
	$				
November 8, 2031	0.50	-	975,000	975,000	975,000

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

g) Stock options (continued)

The following assumptions were used for the Black-Scholes options pricing model valuation of the stock options granted during the year ended December 31, 2021:

Risk-free interest rate	1.63%
Expected life of options	10.00
Expected annualized volatility	69.18%
Exercise price	0.50
Weighted average fair value of options granted	0.37
Expected dividend rate	-

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 December 31, 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 December 31, 2021:

	Category	$
Cash	Amortized cost	1,689,193
Loans receivable	Amortized cost	988,884
Accounts payable	Amortized cost	59,722

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

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS (continued)

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	1,689,193	-	-	1,689,193

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 December 31, 2021, the maximum amount of credit risk the Company is exposed to through its financial assets is $2,697,115.

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	59,722	59,722	59,722	-	-	-

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES

The Company considers its officers and directors to be key management personnel.

During the year ended December 31, 2021 and 2020, the Company's transactions with related parties are as follows:

	2021	2020
A company controlled by the CEO (director fees)	14,750	-
CFO (management fees)	9,000	-
An independent director (director fees)	10,000	-
Corporate Secretary (management fees)	6,250	-
Share-based compensation	185,000	-
Total	225,000	-

As at December 31, 2021 and December 31, 2020, the Company had the following amounts owed to related parties.

	December 31, 2021	December 31, 2020
A company controlled by the CEO	6,300	-
CFO	4,200	-
An independent director	5,250	-
Total	15,750	-

10. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2021	2020
	$	$
Income (loss) before income taxes	(854,815)	539,684
Combined statutory tax rate	27%	27%
Expected income tax (recovery) at combined statutory rate	(231,000)	146,000
Permanent differences and other	96,000	-
Change in unrecognized deferred tax assets	135,000	(146,000)
Income tax expense	-	-

(Expressed in Canadian dollars)

10. INCOME TAXES (continued)

Significant components of the Company's deferred income tax assets (liabilities) not recognized are shown below:

	2021	2020
	$	$
Non-capital losses carried forward	1,721,000	1,226,000
Capital losses carried forward	7,473,000	7,473,000
Share issue costs	5,000	-
	9,199,000	8,699,000
Deferred income tax assets not recognized	(9,199,000)	(8,699,000)
Net deferred income tax assets	-	-

As at December 31, 2021, the Company had approximately $1,721,000 in non-capital loss carry forwards available to reduce taxable income for future years, which begin expiring in 2035.

As at December 31, 2021, the Company had approximately $7,473,000 in capital loss carry forwards, available only to offset future capital gains, and may be carried forward indefinitely.

11. EVENTS AFTER THE REPORTING DATE

Pursuant to the SPA (Note 4), the Company:

a) On January 21, 2022, loaned US$125,000 ($159,073) to Beyond Oil, as a Bridge Loan.

b) On February 4, 2022, closed the first tranche of the Concurrent Financing. A total of 2,124,666 special warrants were issued for gross proceeds of $1,593,499.

c) On February 14, 2022, closed the second tranche of the Concurrent Financing. A total of 283,599 special warrants were issued for gross proceeds of $212,699.

d) On April 7, 2022, closed the third and final tranche of the Concurrent Financing. A total of 2,258,402 special warrants were issued for gross proceeds of $1,693,802.

e) On April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus. It is expected that the Closing of the Transaction will occur on or about May 5, 2022.