BEYOND OIL LTD. (FORMERLY FTC CARDS INC.)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2022 AND 2021

(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

BEYOND OIL LTD. (FORMERLY FTC CARDS INC.)
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2022 AND DECEMBER 31, 2021
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	March 31, 2022	December 31, 2021
	$	$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,409,844	1,689,193
Loans receivable (Note 4)	1,130,888	988,884
Goods and services tax recoverable	23,154	19,038
	3,563,886	2,697,115
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Notes 5, 9)	159,773	59,722
EQUITY		
Share capital (Note 6)	10,148,891	10,148,891
Share subscriptions received (Note 6)	450,015	1,243,094
Reserves (Note 6)	2,042,099	360,750
Deficit	(9,236,892)	(9,115,342)
	3,404,113	2,637,393
	3,563,886	2,697,115

GOING CONCERN (Note 2(c))
SUBSEQUENT EVENTS (Note 10)

Approved on behalf of the Board of Directors on May 26, 2022:

"Gad Penini"
Gad Penini, Director

"Robert Kiesman"
Robert Kiesman, Director

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

BEYOND OIL LTD. (FORMERLY FTC CARDS INC.)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	$	$
EXPENSES		
Accounting and audit	12,000	14,237
Consulting, director and management fees	17,888	-
Filing fees and transfer agent	12,482	509
Foreign exchange	17,084	1,406
Legal fees	60,008	7,406
Office and miscellaneous expenses	2,088	40
LOSS AND COMPREHENSIVE LOSS	(121,550)	(23,598)
BASIC AND DILUTED LOSS PER SHARE	(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	18,035,101	3,535,101

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

BEYOND OIL LTD. (FORMERLY FTC CARDS INC.)
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	$	$
OPERATING ACTIVITIES		
Loss for the period	(121,550)	(23,598)
Items not involving cash:		
Foreign exchange loss on loan receivable	17,069	-
	(104,481)	(23,598)
Changes in non-cash working capital items:		
Goods and services taxes recoverable	(4,117)	(346)
Accounts payable and accrued liabilities	100,051	(14,224)
CASH FLOWS USED IN OPERATING ACTIVITIES	(8,547)	(38,168)
INVESTING ACTIVITIES		
Loans receivable advanced	(159,072)	-
CASH FLOWS USED BY INVESTING ACTIVITIES	(159,072)	-
FINANCING ACTIVITIES		
Issuance of special warrants, net	1,681,349	-
Special warrant subscriptions, net	(793,079)	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	888,270	-
CHANGE IN CASH DURING THE PERIOD	720,651	(38,168)
CASH, BEGINNING OF PERIOD	1,689,193	65,369
CASH, END OF PERIOD	2,409,844	27,201
Cash paid for:		
Income taxes	-	-
Interest	-	-

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

BEYOND OIL LTD. (FORMERLY FTC CARDS INC.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Special Warrant Subscriptions Received	Reserves	Retained Earnings	Total Equity
		$	$	$	$	$
Balance as at December 31, 2020	3,535,101	8,305,106	-	-	(8,260,527)	44,579
Net loss	-	-	-	-	(23,598)	(23,598)
Balance as at March 31, 2021	3,535,101	8,305,106	-	-	(8,284,125)	20,981
Balance as at December 31, 2021	18,035,101	10,148,891	1,243,094	360,750	(9,115,342)	2,637,393
Issuance of special warrants, net (Note 6)	-	-	(1,681,349)	1,681,349	-	-
Special warrant subscriptions received, (Note 6)	-	-	888,270	-	-	888,270
Net loss	-	-	-	-	(121,550)	(121,550)
Balance as at March 31, 2022	18,035,101	10,148,891	450,015	2,042,099	(9,236,892)	3,404,113

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

1. NATURE OF BUSINESS

Beyond Oil Ltd. ("Beyond Oil 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." and on May 12, 2022, the name was changed to "Beyond Oil Ltd."

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 the Company would be "spun-out" from CTF, ie. all of the shares of Beyond Oil Canada owned by CTF would be dividended to its shareholders so that the former CTF shareholders became the new shareholders of the Company. Consequently, on July 3, 2012, the completion date, the Company ceased to be a wholly-owned subsidiary of CTF and became a reporting issuer, although its common shares were not listed on any exchange for trading in Canada or elsewhere.

Also, pursuant to the terms of the Arrangement agreement, when the Company's 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 the Company 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, Beyond Oil Canada.

On May 7, 2021, the Company entered into a non-binding letter of intent with Beyond Oil Ltd. of Israel ("Beyond Oil Israel") to acquire, through a series of steps, all of the issued and outstanding securities of Beyond Oil Israel. Beyond Oil Israel 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.

The Company entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") among the Company, Beyond Oil Israel, and the shareholders of Beyond Oil Israel (the "Shareholders"). Pursuant to the SPA, on May 12, 2022, the Company acquired all the issued and outstanding securities of Beyond Oil Israel, in exchange for securities of the Company, 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 the Company is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, BC V6E 4N7. The head office of the Company 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") and Interpretations of the Financial Reporting Interpretations Committee ("IFRIC"). These unaudited 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, 2021. These financial statements were authorized for issue by the Board of Directors on May 26, 2022.

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 condensed interim 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, 2021. 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 are dependent upon the extent to which it can successfully raise the capital to implement its future plans. As at March 31, 2022, the Company had working capital of $3,404,113, an accumulated deficit of $9,236,892 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 the fair value of finder's warrants. The fair value of finder's warrants 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

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, 2021.

4. TRANSACTION AND LOANS RECEIVABLE

On May 7, 2021, the Company entered into a non-binding letter of intent with Beyond Oil Ltd. of Israel ("Beyond Oil Israel") to acquire, through a series of steps, all of the issued and outstanding securities of Beyond Oil Israel. Beyond Oil Israel 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.

The Company entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") among the Company, Beyond Oil Israel, and the shareholders of Beyond Oil Israel (the "Shareholders"). Pursuant to the SPA, on May 12, 2022, the Company acquired all the issued and outstanding securities of Beyond Oil Israel, in exchange for securities of the Company, 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, the Company was listed on the Canadian Securities Exchange (the "CSE") on May 25, 2022 under the ticker symbol "BOIL".

4. TRANSACTION AND LOANS RECEIVABLE (continued)

Transaction Terms

Pursuant to the terms of the SPA, at the closing of the Transaction (the "Closing"), the Company acquired all the issued and outstanding securities of Beyond Oil Israel. At the Closing, Beyond Oil Israel became a wholly-owned subsidiary of the Company (after the Closing, the "Resulting Issuer").

At the Closing, the shareholders of Beyond Oil Israel issued 24,410,505 Resulting Issuer Shares after giving effect to the Transaction (the "Vend-in Shares"); and 2,683,333 warrants of the Resulting Issuer (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, 19,528,404 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, 967,376 stock options of Beyond Oil Israel were 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 Israel were cancelled at Closing.

The completion of the Transaction was 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 Israel's Transaction expenses; (c) the absence of any material adverse change in the business of either Beyond Oil Israel or the Company; (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 Israel is a party; (h) approval of the shareholders of the to certain amendments to the articles of the Company and election of the Beyond Oil Israel 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").

On April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus and the Transaction closed on May 12, 2022.

4. TRANSACTION AND LOANS RECEIVABLE (continued)

Seed Financing & Seed Loan

As disclosed in the Company's news release dated June 22, 2021, the Company 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"). Resulting Issuer Shares issued in the Seed Financing to certain advisors of the Company will be subject to a contractual hold period whereby: (a) 25% of such Resulting Issuer Shares will be free trading on the listing date of the Resulting Issuer ("Listing Date"); and (b) 25% of such Resulting Issuer 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 Company's shares issued in the Seed Financing were 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, the Company loaned Beyond Oil Israel 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 Israel for expenses related to the Transaction and for general working capital.

Bridge Financing & Bridge Loan

Pursuant to the SPA, the Company undertook a bridge financing comprised of 2,500,000 common at a price of $0.50 per share, for gross proceeds of $1,250,000 (the "Bridge Financing"). All of the common 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. The Company 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, the Company loaned Beyond Oil Israel US$750,000 ($959,531) pursuant to a secured promissory note (the "Bridge Loan"). Proceeds from the Bridge Loan have been used by Beyond Oil Israel for expenses related to the Transaction and for general working capital.

Concurrent Financing

As a condition to closing of the Transaction, in Fiscal 2022, the Company completed a concurrent private placement (the "Concurrent Financing") of non-transferable special warrants ("Special Warrants") for aggregate proceeds of approximately $3,500,000.

Each Special Warrant has an issue price of $0.75 per Special Warrant (the "Special Warrant Issue Price"). Each Special Warrant converted, without the payment of any additional consideration (other than the proceeds paid by the Company in accordance with the Concurrent Financing), into one unit ("Unit"), on the third business day after receipt of the Prospectus. On April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus.

Each Unit is comprised of one common 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 Israel'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 Israel, 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 $1.25 for a period of one year after their issuance.

Finders' Fee Shares

In accordance with the SPA, the Resulting Issuer issued 1,708,735 Resulting Issuer Shares (the "Finders' Fee Shares") to certain finders.

Resulting Issuer

On closing of the Transaction, the Company changed its name to "Beyond Oil Ltd." and will carry on the business conducted by Beyond Oil Israel, and the Resulting Issuer Shares were listed under the trading symbol "BOIL".

5. ACCOUNTS PAYABLE

The Company's accounts payable are as follows:

	March 31, 2022	December 31, 2021
Trade payables	148,223	43,972
Due to related parties (Note 8)	11,550	15,750
	159,773	59,722

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.

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.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

f) On February 4, 2022, the Company closed a non-brokered private placement of 2,124,666 special warrants, at a price of $0.75 per special warrant, for gross proceeds of $1,593,499. The Company paid cash commissions of $81,619 and issued 108,825 finders' warrants. The Company incurred other cash share issuance costs of $23,730.

g) On February 14, 2022, the Company closed a non-brokered private placement of 283,599 special warrants, at a price of $0.75 per special warrant, for gross proceeds of $212,699. The Company paid cash commissions of $14,981 and issued 19,975 finders' warrants. The Company incurred other cash share issuance costs of $4,520.

h) As at March 31, 2022, the Company had received $450,015 for subscriptions to a private placement of Special Warrants.

i) 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 March 31, 2022 and December 31, 2021:

Expiry Date	Exercise Price	December 31, 2021	March 31, 2022	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 March 31, 2022 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 March 31, 2022:

	Category	$
Cash	Amortized cost	2,409,844
Loans receivable	Amortized cost	1,130,888
Accounts payable	Amortized cost	159,773

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 March 31, 2022, as follows:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	2,409,844	-	-	2,409,844

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 March 31, 2022, the maximum amount of credit risk the Company is exposed to through its financial assets is $3,563,886.

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 March 31, 2022:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years	Over 3 years
	$	$	$	$	$	$
Accounts payable	159,773	159,773	159,773	-	-	-

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES

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

During the three months ended March 31, 2022 and 2021, the Company's transactions with related parties are as follows:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
A company controlled by the CEO (director fees)	9,000	-
An independent director (director fees)	7,500	-
Total	16,500	-

As at March 31, 2022 and December 31, 2021, the Company had the following amounts owed to related parties.

	March 31, 2022	December 31, 2021
A company controlled by the CEO	6,300	6,300
CFO	-	4,200
An independent director	5,250	5,250
Total	11,550	15,750

10. EVENTS AFTER THE REPORTING DATE

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

a) 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.

b) On April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus and the Transaction closed on May 12, 2022.