ENVIROMETAL TECHNOLOGIES INC.

Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Formerly EnviroLeach Technologies Inc.)

(Expressed in Canadian dollars)

(Audited)

Management's Responsibility for Financial Reporting

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, which includes making significant accounting judgments and estimates in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and ensuring that all information in the annual report is consistent with the consolidated financial statements, selecting appropriate accounting principles and methods, and making decisions that affect the measurement of transactions.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP, an independent partnership of Chartered Professional Accountants, has been appointed by the shareholders to audit the consolidated financial statements as at December 31, 2022 and for the year then ended and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

On behalf of EnviroMetal Technologies Inc.

/s/ Wayne Moorhouse

Wayne Moorhouse
Chief Executive Officer

Burnaby, BC
May 1, 2023

Independent Auditor's Report

To the Shareholders of EnviroMetal Technologies Inc.:

Opinion

We have audited the consolidated financial statements of EnviroMetal Technologies Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 1 in the consolidated financial statements, which indicates that the Company incurred a loss during the year ended December 31, 2022 and as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Assets Held For Sale

Key Audit Matter Description

We draw attention to Note 7 in the consolidated financial statements. During the year-ended December 31, 2022, the Company held non-current assets classified as held for sale as the non-current assets' carrying amounts will be recovered principally through a sale transaction rather through continuing use.

We considered this a key audit matter due to the significant judgment made by management in measuring the non-current assets classified as held for sale at the lower of carrying amount and fair value less costs to sell. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's estimates. As such, an increased extent of audit effort was required.

Audit Response

We responded to this matter by performing procedures over the assets held for sale. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained an understanding of management's process to classify assets as held for sale and evaluated the design related management's process;
- Evaluated reasonableness of management's key assumptions, including a retrospective review and subsequent sales review to compare management's estimate of the fair value less costs to sale to actual results;

- Verified the existence and assessed the fair value of the assets held for sale by obtaining a third party confirmation and recalculated the provision for the expected decrease in the fair value less costs to sell; and
- Assessed the appropriateness of the disclosures as presented in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 also:

- Identify and assess the risks of material misstatement of the consolidated 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 audits 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Abhishek Kapoor.

Vancouver, British Columbia

MNP LLP

May 1, 2023

Chartered Professional Accountants

EnviroMetal Technologies Inc.
Consolidated Statements of Financial Position
As at December 31, 2022 and 2021
(Expressed in Canadian dollars)

	December 31, 2022	December 31, 2021
Assets		
Current assets		
Cash	429,038	784,790
Trade and other receivables (Note 5)	29,158	434,921
Inventories (Note 6)	239,940	4,058,440
Assets held for sale (Note 7)	1,187,206	326,947
Prepaid expenses and deposits	80,404	155,546
	1,965,746	5,760,644
Non-current assets		
Investment in Group 11 (Note 8)	-	301,665
Plant and equipment (Note 9)	979,904	2,169,295
	979,904	2,470,960
Total assets	**2,945,650**	**8,231,604**
Liabilities and equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	681,830	4,405,623
Due to (from) related parties (Note 11)	252,498	62,264
Deferred revenues	-	38,125
Loan payable (Note 12)	40,000	40,000
Lease liabilities (Note 13)	262,156	322,025
Contingent liability (Note 25)	1,109,026	1,109,026
	2,345,510	**5,977,063**
Non-current liabilities		
Lease liabilities (Note 13)	108,625	129,470
	108,625	129,470
Total liabilities	**2,454,135**	**6,106,533**
Equity		
Share capital (Note 15)	32,202,013	29,726,904
Reserves (Note 15)	9,171,664	7,765,126
Contributed surplus (Note 15)	750,000	750,000
Accumulated deficit	(41,632,162)	(36,116,959)
Equity attributable to shareholders	491,515	2,125,071
Total equity	**491,515**	**2,125,071**
Total liabilities and shareholders' equity	**2,945,650**	**8,231,604**

Going concern (Note 1),Commitments (Note 25), and Subsequent Events (Note 26)
The accompanying notes form an integral part of these consolidated financial statements.
Approved by the Board of Directors of EnviroMetal Technologies Inc. on May 1, 2023:

/s/ Ken McNaughton   */s/ Court Anderson*

EnviroMetal Technologies Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

	2022	2021
Revenues		
Consulting revenue	$ 109,763	$ 177,963
Sale of precious and other metals	3,412,849	-
	3,522,612	177,963
Expenses		
Operating costs	(3,738,813)	(357,077)
Management and Employee costs	(1,106,772)	(810,010)
General and administration (Note 17)	(1,314,220)	(1,420,144)
Share-based payments (Note 15)	(438,520)	(104,571)
	(6,598,325)	(2,691,802)
Operating loss	**$ (3,075,713)**	**$ (2,513,839)**
Other items		
Interest income	2,802	3,581
Interest and financing costs	(39,872)	(48,150)
Amortization (Note 9 and Note 21)	(417,312)	(1,123,151)
Impairment loss on intangible assets	-	(3,681,211)
Unrealised loss on investment in associate (Note 8)	(301,665)	(398,459)
Gain on settlement of advance royalty payable (Note 14)	-	238,271
Expected credit loss (Note 23)	-	(123,418)
Foreign exchange	(18,920)	(12,023)
Loss and comprehensive loss from continuing operations	(3,850,680)	(7,658,399)
Loss and comprehensive loss from discontinued operations (Note 21)	(1,664,523)	(3,954,710)
Loss and comprehensive loss	**$ (5,515,203)**	**$ (11,613,109)**
Loss and comprehensive loss attributable to:		
Shareholders	(5,515,203)	(11,486,774)
Non-controlling interest	-	(126,335)
	$ (5,515,203)	**$ (11,613,109)**
Net loss per common share, basic and diluted	(0.053)	(0.124)
Weighted-average number of common shares outstanding, basic and	103,858,333	93,585,562

The accompanying notes form an integral part of these consolidated financial statements.

EnviroMetal Technologies Inc.
Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Canadian dollars, except for number of shares amount)

	Shares #	Amount	Share-based payments	Warrants	Contributed surplus	Accumulated deficit	Non-controlling interest	Total Equity
Balance, January 1, 2021	93,046,002	29,447,944	5,323,802	2,421,674	750,000	(24,630,185)	1,121,068	14,434,303
Issuance of shares for options	400,000	184,920	(84,920)	-	-	-	-	100,000
Shares issued for debt settlement (Note 15)	250,000	105,000	-	-	-	-	-	105,000
Share issuance costs	-	(10,959)	-	-	-	-	-	(10,959)
Share-based payments	-	-	104,571	-	-	-	-	104,571
Cancellation of joint venture	-	-	-	-	-	-	(1,109,026)	(1,109,026)
Equity contribution from minority shareholder	-	-	-	-	-	-	114,293	114,293
Net loss for the year	-	-	-	-	-	(11,486,774)	(126,335)	(11,613,109)
Balance, December 31, 2021	**93,696,002**	**29,726,905**	**5,343,453**	**2,421,674**	**750,000**	**(36,116,959)**	**-**	**2,125,073**
Balance, January 1, 2022	93,696,002	29,726,905	5,343,453	2,421,674	750,000	(36,116,959)	-	2,125,073
Private placement of units (Note 15)	14,232,456	2,614,133	-	943,981	-	-	-	3,558,114
Share issuance costs (Note 15)	-	(139,025)	-	24,036	-	-	-	(114,989)
Share based payments	-	-	438,520	-	-	-	-	438,520
Transfer	-	-	-	-	-		-	-
Net loss for the year	-	-	-	-	-	(5,515,203)	-	(5,515,203)
Balance, December 31, 2022	**107,928,458**	**32,202,013**	**5,781,973**	**3,389,691**	**750,000**	**(41,632,162)**	**-**	**491,515**

EnviroMetal Technologies Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Canadian dollars)

	December 31, 2022	December 31, 2021
Cash flows (to) operating activities		
Net loss for the year	$ (5,515,203)	$ (11,613,109)
Adjustments to reconcile net loss to cash used in operating activities:		
Amortization	852,515	1,849,023
Loss on disposal and write-down of assets	202,398	1,134,216
Impairment loss on plant and equipment	-	1,097,439
Impairment of intangible assets	-	3,681,211
Amortized interest on liabilities	38,227	35,517
Gain on settlement of advance royalty payable (Note 14)	-	(238,271)
Share-based payments	438,520	104,571
Loss related to investment in associate (Note 8)	301,665	398,459
Unrealized foreign exchange gain	18,920	
Expected credit loss (Note 23)	-	123,418
Changes in non-cash operating working capital (Note 18)	389,312	(217,548)
	(3,273,646)	**(3,645,074)**
Cash flows (to) investing activities		
Net proceeds from sale of assets held for sale	31,200	62,600
Acquisition of plant and equipment	(412,576)	(485,287)
	(381,376)	**(422,687)**
Cash flows (to) financing activities		
Issuance of common shares for private placement		-
Share issuance costs	(114,989)	(10,960)
Shares issued for options	-	100,000
Royalty payments	-	(296,658)
Proceeds from private placement issuance	3,558,114	-
Subscription advances	295,200	-
Payment of lease obligations	(377,587)	(381,731)
	3,360,738	**(589,349)**
(Decrease) in cash	**(294,284)**	**(4,657,110)**
Effects of foreign exchange rates on cash	(61,468)	(69,414)
Cash, beginning of year	**784,790**	**5,511,314**
Cash, end of year	**$ 429,038**	**$ 784,790**

Supplemental cash flow information (Note 18)
The accompanying notes form an integral part of these consolidated financial statements.

1. Corporate information and going concern

EnviroMetal Technologies Inc. (the Company or EnviroMetal) was incorporated under the Province of Alberta Business Company Act on October 21, 2016. On December 4, 2020, the Company enacted a continuance from the Province of Alberta to the province of British Columbia under the *Business Corporation Act* (British Columbia) and adopted new articles of incorporation. On August 8, 2021, the Company applied for and received a name change from EviroLeach Technologies Inc. to EnviroMetal Technologies Inc.

The Company specializes in precious metal extraction processes with applications in the primary and secondary metals industries. The Company shares are listed for trading on the Canadian Securities Exchange (CSE) under the symbol “ETI”. The Company additionally trades in the United States on the OTCQX venture marketplace under the symbol “EVLLF” and on the Frankfurt Stock Exchange (FSE) under the symbol “7N2”.

The Company’s registered office is located at 1500, 1055 West Georgia St., Vancouver BC V6E 0B6 and its corporate head office is located at #208 - 6741 Eastlake Drive, Burnaby, BC V3N 4A3.

These consolidated financial statements (Financial Statements) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company incurred a loss of $5,515,203 for the year ended December 31, 2022 (2021 – loss of $11,613,109) and has an accumulated deficit since inception of $41,632,162 (2021 - $36,116,959). There are several adverse conditions which create a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company has incurred operating losses since inception, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead obligations. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company’s ability to raise adequate equity financing and ultimately develop profitable operations. The Company is of the view that these objectives can be met, and that the going concern assumption is appropriate. If the going concern assumption were not appropriate for these Financial Statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenue, expenses and the consolidated statement of financial position classifications used, and such adjustments could be material.

2. Basis of presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain comparative amounts have been reclassified to conform to the current year’s presentation, see Note 21 for the discontinued operations disclosure. The accounting policies set out below were consistently applied to all periods presented unless otherwise noted. These consolidated financial statements were authorized for issue by the Board of Directors on May 1, 2023.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value as disclosed elsewhere in the notes to the consolidated financial statements.

(b) Basis of measurement (continued)

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that may have a significant impact to the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

These consolidate financial statements are presented in Canadian dollars, unless otherwise indicated.

3. Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements are prepared by consolidating entities that are controlled by the Company. An entity is controlled when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through power over the investee. Power over an entity is the ability to exercise rights that affect the entity's returns (relevant activities). Power may be determined on the basis of voting rights or, in the case of structured entities, other contractual arrangements. The determination of control is based on the current facts and circumstances and is continuously assessed. In some circumstances, different factors and conditions may indicate that different parties control an entity depending on whether those factors and conditions are assessed in isolation or in totality. Significant judgment is applied in assessing the relevant factors and conditions in totality when determining whether an entity is controlled. Specifically, judgment is applied in assessing whether the Company has substantive decision-making rights over the relevant activities. Controlled entities are consolidated from the date control is obtained and consolidation is ceased when an entity is no longer controlled by the Company. Non-controlling interest in subsidiaries that are consolidated is shown on the consolidated statements of financial position as a separate component of equity which is distinct from equity attributable to shareholders. The net income attributable to non-controlling interests is separately disclosed in the consolidated statements of loss and comprehensive loss.

On December 31, 2020, the consolidated financial statements of EnviroMetal Technologies Inc. were consolidated with the accounts of the joint venture project with Mineworx Technologies Ltd. (Mineworx) in which the Company was the operator and had control over the decision-making process. The portion attributable to Mineworx was 20% and recorded as non-controlling interest. This determination was made after an analysis of IFRS 10 (Consolidated Financial Statements) and the terms of the agreement with Mineworx. The Company terminated the joint venture with Mineworx, as of April 5, 2021, and the Company now controls 100% of the assets per the agreement dated February 14, 2020.

(b) Functional and presentation currencies and foreign currency translation

The functional currency of the Company is determined using the currency of the primary economic environment in which the Company operates, the Canadian dollar. The presentation currency is also the Canadian dollar.

In preparing the consolidated financial statements of the Company, transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at rates prevailing at the reporting dates and are recognized in profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Cash

Cash includes cash on deposit in Canadian banks and are subject to negligible risk of changes in value and other short-term highly liquid investments with original maturities of three months or less. As at December 31, 2022, the Company had cash of $429,038 (2021 - $784,790), including restricted cash of $130,000 (2021 - $nil). Included in cash are investments in guaranteed investment certificates ("GICs") of $40,000 that are carried at fair value.

(d) Inventories

Inventories consist of raw materials and supplies to be consumed in operating and research activities and include consumables and spare equipment for the gold concentrate processing pilot plant. All inventories are measured at the lower of cost and net realizable value in accordance with IAS 2. The cost of inventories is based on weighted average cost formula, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. When inventories are consumed or sold the related costs are expensed in the period the revenue is recognized. At each reporting period mineral concentrates for sale and precious metal finished goods are held at net realizable value, and carrying values are updated with assay results from downstream customers.

(e) Assets held for sale

The Company has accounted for assets held for sale in accordance with IFRS 5. Items classified as assets held for sale are non-current assets and liabilities that will be recovered principally through a sale transaction rather than continual use. This condition is satisfied when the asset is available for immediate sale in its present condition, management is committed to the sale, and it is highly probable to occur within one year. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less selling costs and, if significant, are presented separately from other assets as current assets on the Consolidated Statements of Financial Position. If assets are held for longer than 12 months, the Company records a provision for the expected decrease in sales value.

(f) Intangible assets, plant and equipment

Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation and impairment losses, if any. Costs directly attributable to the acquisition or construction of plant and equipment are also capitalized as part of the costs. Repairs and maintenance are charged to the consolidated statement of loss and comprehensive loss during the financial period in which they are incurred. Upon retirement, disposal or destruction of an asset, the cost and related depreciation are removed from the accounts and any gain or loss is included in the consolidated statement of loss and comprehensive loss. Plant and equipment assets are tested for impairment if events or circumstances indicate that the assets might be impaired.

Technology

Technology assets are the costs of acquiring rights to proprietary technologies for the concentration and extraction of valuable metals for use in the mining and waste processing industries. The expected future economic benefits support the carrying value, which will be amortized over its estimated useful life, expected to be 10 years. These assets are tested for impairment if events or circumstances indicate that the assets might be impaired.

(f) Intangible assets, plant and equipment (continued)

Depreciation

Depreciation is based on estimated useful lives of the assets on a straight-line basis, as follows:

Plant and equipment	7 to 10 years
Vehicles	5 years
Office furniture and fixtures	3 to 5 years
Technology	10 years
Patents	Life of patent (20 years)

The assets' residual values, method of depreciation and useful lives are reviewed and adjusted, if appropriate, at least annually.

(g) Leases

In accordance with IFRS 16, as of January 1, 2018, at the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the "right-of-use" asset) unless the underlying asset has a low value or the lease term is twelve months or less, in which case leases are expensed in the period incurred. At commencement date, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The right-of-use asset is then amortized using the straight-line method from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset may also be reduced for any impairment losses, if any.

At the lease commencement date, the lease liability is measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate, which is the rate the Company would pay for similar assets at similar locations over a similar term, as the discount rate. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is re-measured when there is a change in future lease payments due to a change in an index or rate, a change in the Company's estimate of an amount payable under residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, termination or extension option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Revenue recognition

The Company derives revenue from the sale of precious metals in a concentrate or pure form, licensing fees and consulting fees. In accordance with IFRS 15, the Company recognizes revenue using the following 5 steps:

1. Identify that a contract exists
2. Identify performance obligations
3. Determine price
4. Allocate price to performance
5. Recognize performance is completed

Revenue streams are as follows:

Sales of precious and other metals

The Company sells precious and other metals to smelters and refiners for final transformation into investment grade precious metals or commercial grade base metals. These smelters and refiners have over-arching agreements that govern how materials flows will be accounted for at the point of sale. The sale is recorded at the point in time when performance obligation is met, and when the risk and rewards of ownership is passed on to the smelting or refining companies, which is the date that they acknowledge receipt of the goods via waybill or bill of lading. The transaction price is determined over time, with provisional payments based on the market value of the marketable metals at the time of delivery (using the average price from the previous month) and adjusted at the time of the final settlement. As the Company does not use forward contracts, there may be provisional adjustments to the price received from the sale of materials for up to 6 months after initial delivery.

Sale of intellectual property

The Company sells intellectual property, processes, and patented knowledge in the form of licenses, territories and/or exclusivity agreements. The transaction price is determined with the customer prior to contract execution for an effective date in the future. Control is transferred when both the effective date of the contract has passed and there is no further ongoing involvement of management in the use of the intellectual property. The Company's performance obligation is the creation and delivery of Intellectual property rights. Those rights do not require ongoing maintenance and are based on time. The revenue associated is recorded on a straight-line basis based on the period of the agreement and where the term of the agreement is indefinite the revenue is recorded based on the estimated useful life of the rights sold.

Consulting services

The services are sold to companies operating in the mining and/or recycling industries and primarily relate to the design and implementation of the Company's intellectual property, catered to the client's needs. Services rendered are measured either using time as the basis for measurement, or achievement of pre-determined milestones. The primary time basis of measurement is labour hours for technical analysis, and the primary milestones would be delivery of digital report, investigatory result, or completion of a project. For consulting services where the sales model is uncapped hours with a report to formalize completion, revenue is recorded as the input hours are measured. When a project has a fixed value, and the duration is longer than one period revenue is recorded based on actual hours as a percentage of budgeted. When a project has a fixed value and the duration is within a period, revenue is recorded on the delivery of the final milestone, usually a technical report.

(i) Impairments

Non-financial assets

At each reporting date, the Company reviews its intangible assets, plant and equipment at the cash generating unit ("CGU") level to determine whether there is any indication that these assets are impaired. If any such indication exists, the recoverable amount of the relevant CGU is estimated in order to determine the extent of impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company has two CGUs; (1) E-waste and mineral processing; and (2) performing technical services related to implementing its proprietary technology for the extraction of precious metals for the mining and E-waste industries. These two revenue streams have independent labour pools, locations, and client profiles and as such are separated for the purposes of CGU analysis.

Impairment of a CGU is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For fair value less costs to sell, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Discounted cash flow techniques require management to make estimates and assumptions concerning future production revenues and expenses. The determination of discounted cash flows is dependent on many factors, including future metal prices, production schedules, production costs, sustaining capital expenditures and plant closure and site rehabilitation costs. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized in profit and loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there had been a change in the estimates used to determine the recoverable amount. If an impairment is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods.

(j) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of past events for which it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the present value of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(k) Income taxes

Income tax expense consists of current and deferred income taxes based on taxable profits. Current and deferred income taxes are included in profit and loss except to the extent that they relate to a business combination or items recognized directly in equity or other comprehensive income.

(k) Income taxes (continued)

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income (loss) for the current period and any adjustment to income taxes payable or receivable in previous periods. Current income taxes are determined based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income taxes are determined using the liability method where there are differences between the carrying amounts and tax bases of assets and liabilities, and unused tax losses and credits. Deferred tax liabilities and assets are measured by applying tax rates that are expected to apply when the amounts are realized or settled respectively, based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be realized and is later reduced if the Company determines it is no longer probable to be realized. The Company has not currently recognized any deferred tax assets or liabilities. No deferred tax asset has been recognized in respect of tax loss carry-forwards or deductible temporary differences as it is not probable at the end of the financial reporting year that future taxable profits will be available such that a tax asset can be realized.

(l) Government assistance

Amounts received or receivable resulting from government assistance programs are recognized where there is reasonable assurance that the amount of government assistance will be received, and all attached conditions will be complied with. When the amount relates to an expense item, it is recognized as a reduction against the costs it is intended to compensate. When the amount relates to an asset, it reduces the carrying amount of the asset and is then recognized as income over the useful life of the depreciable asset by way of a reduced depreciation charge.

(m) Share-based compensation

The Company has a share-based compensation plan described in Note 15. Compensation costs are measured at the grant date based on the fair value of the award and are recognized on a graded basis over the vesting period in profit and loss, with a corresponding increase to reserves. Upon exercise, common shares are issued from treasury and the amount reflected in reserves is credited to share capital, as adjusted for any consideration paid.

The Black-Scholes option pricing model is used to determine the fair value of new grants. This model incorporates subjective assumptions, including volatility and expected life. At the end of each reporting period, the Company reviews and adjusts the amount recognized as an expense based on the number of options expected to vest. The impact of the revision, if any, is recognized in profit and loss, with a corresponding adjustment to reserves.

Options issued to non-employees are measured based on the fair value of the services received at the date of receiving those services. If the fair value of the goods or services cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

(n) Share capital

The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction from the proceeds of issuance.

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to reserves. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in reserves is recorded as an increase to share capital. Upon expiration of warrants, the amount applicable to warrants expired is recorded as an increase to share capital.

(o) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted-average number of outstanding common shares for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted-average number of outstanding common shares for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares. The weighted average number of common shares used to calculate the dilutive effect assumes that the proceeds that could be obtained upon exercise of stock options would be used to purchase common shares at the average market price during the period.

In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options would be anti-dilutive.

(p) Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, comprehensive loss was the same as net loss.

(q) Non-controlling interest

Non-controlling interest represents equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income and other comprehensive income is recognized directly in equity even if the results of the non-controlling interest have a deficit balance.

The Company recognizes transactions with non-controlling interest as transactions with equity shareholders. Changes in the Company's ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. Following a change in control, any non-controlling interest that represents amounts owing to the counterparty are recognized as a current liability.

(r) Financial instruments

On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification of financial assets is made in accordance with their contractual cash flow characteristics and the business models under which they are held.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit and loss. Gains or losses on equity financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's financial assets are cash, trade and other receivables, excluding taxes.

Financial assets at amortized cost

At each reporting date, the Company assesses whether there has been a significant increase in credit risk that would provide objective evidence that a financial asset at amortized cost is impaired. The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less any impairment using the effective interest method. They ae classified as current or non-current based on their maturity dates.

Financial assets at FVTPL

Financial assets at FVTPL are initially recognized at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also recognized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at 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. Investment in equity instruments at FVTOCI are initially recognized 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 comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Financial Liabilities

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

(r) Financial instruments (continued)

Financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities are its accounts payable and accrued liabilities, due to related parties, lease liabilities, loan payable and contingent liabilities. Financial liabilities are classified as current or non-current based on their maturity dates. Financial liabilities held for trading or designated at fair value through profit or loss are subsequently carried at fair value with gains and losses recognized in profit or loss.

Non-controlling interest, derecognized as equity during the year is held at amortized cost and gains or losses on settlement will be recognized through profit and loss.

(s) Investments in associates

Investments in associated corporations and limited partnerships over which the Company has significant influence are accounted for using the equity method. The equity method is also applied to interests in joint ventures over which joint control has been established. Under the equity method of accounting, investments are initially recorded at cost, and the carrying amount is increased or decreased to recognize our share of the investee's net profit or loss, including the proportionate share of the investee's other comprehensive income (OCI), subsequent to the date of acquisition.

(t) Provisions, contingent liabilities, and contingent assets

Provisions are recognised when the Company has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements when a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

4. Critical accounting estimates and judgments

The preparation of these Financial Statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

Significant estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Inventory

Parts, raw materials, chemicals, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Revenue for provisional invoices

Provisional invoices are issued for precious metal sales that reflect the estimated amount of metal in the shipment and the current dollar value of the metal at the date of the invoice. Both the amount of precious metal and the expected price on settlement are not known on delivery. The Company records a provisional invoice using the best available estimates and updates when new information becomes available until final settlement.

Assets held for sale

The value of assets held for sale requires significant judgement. Illiquid markets, uncertain selling costs, and environmental weathering all contribute to potential variance in final value received by the Company. The reported carrying value is assessed each reporting period and assets held for sale that have been unsold for 12 months or longer are reviewed for indicators of obsolescence. Principally, these indicators are either technological or physical. Currently management does not anticipate any of the assets currently held for sale to experience significant technological obsolescence, however, some assets held for sale are stored outdoors and as such the Company estimates that after four years the main value of the remaining assets may be through a salvage sale. The actual amount of physical deterioration over time and final sale value is subject to significant variation on outcomes.

Discontinued Operations

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statements of loss and comprehensive loss.

Impairment of non-financial assets

Assets are reviewed for an indication of impairment at each consolidated statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. This determination requires significant judgment. Factors that could trigger an impairment review of PP&E include, but are not limited to, significant negative industry or economic trends including the price of precious and base metals, decrease in market capitalization and/or deferral of capital investments.

The Company's recoverable amount measurement with respect to the carrying amount of non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amount. The recoverable amount is based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amount of non-financial assets to their carrying values. The Company's recoverable amount estimates are based on numerous assumptions such as, but not limited to, estimated realized metal prices, operating costs, metal recoveries, capital and site restoration expenditures, and estimated future foreign exchange rates, and may differ from actual values. These differences may be significant and could have a material impact on the Company's financial position and results of operation.

Management's estimates of future cash flows are subject to risk and uncertainties. It is reasonably possible that changes could occur with evolving economic conditions, which may affect the recoverability of the Company's non-financial assets. As the future cashflows from the Company's intellectual property are uncertain and the Company has elected to cease processing E-waste, management has impaired the intangible assets to $nil and the physical plant to the estimated recoverable amount.

Current income taxes

The Company's interpretations of underlying tax regulations may differ from those of the tax department. Judgment is required to determine the appropriate accounting and disclosure treatment based on the facts. To the extent that a dispute arises, management must determine whether it is probable that a tax liability exists and whether the extent of the liability may be estimated and accrued in the consolidated financial statements in addition to determining the appropriate level of disclosure regarding the dispute.

Share-based compensation related to stock options

Management assesses the fair value of stock options using the Black-Scholes option pricing model. This model requires management to make estimates and assumptions with respect to inputs including the risk-free interest rate, share price volatility and expected life of the equity-settled instruments. As well, management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behavior.

The estimated useful life of equipment and technology

Management assesses the estimated useful life of equipment, technology and other long-lived assets based on best available information from markets, employees and other indicators.

Application of the effective interest method

Interest is recognized in Interest income and Interest expense in the Consolidated Statements of Income generally for all interest-bearing financial instruments using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial asset or liability to the net carrying amount upon initial recognition. Significant judgment is applied in determining the effective interest rate due to uncertainty in the timing and amounts of future cash flows.

Expected credit loss

Under IFRS 9, the Company initially recognizes expected credit losses arising from potential default over the next 12 months. The Company uses the probability of default based on the exposure at default, probability of default and loss given default to factor the expected loss.

Incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation as the Company does not have financing transactions with third parties.

The Company estimates the IBR using observable inputs (such as market interest rates) and groups leases into their constituent categories with similar characteristics. The other significant estimates used as an input is the relative increase or decrease in interest rates according to prevailing market adjustments for individual categories. The two main metrics used to adjust market interest rates for categories are whether a lease is for a short or long duration, and if the asset is fixed or mobile.

Going concern evaluation

Significant judgments used in the preparation of these financial statements relate to the assessment of the Company's ability to continue as a going concern. Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. As a result of the assessment, management concluded the going concern basis of accounting is appropriate.

(Expressed in Canadian dollars)

5. Trade and other receivables

The following table provides details on the trade and other receivables on December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Trade	$ 9,575	$ 523,528
Government subsidies	-	23,945
Taxes	14,596	25,578
Due from related party	4,987	324,080
Other	-	11,499
Expected credit loss (Note 25)	-	(473,709)
	$ 29,158	**$ 434,921**

The following table provides details on the aging of trade and other receivables on December 31, 2022 and 2021:

	December 31, 2022		December 31, 2021	
	Gross	Provision	Gross	Provision
Current	$ 24,758	$ -	$ 146,005	$ -
Aged 1 – 30 days	(370)	-	-	-
Aged 31 – 60 days	4,400	-	103,757	-
Aged 61 – 90 days	-	-	45,801	-
Aged > 90 days	370	-	613,067	(473,709)
	$ 29,158	**$ -**	**$ 908,630**	**$ (473,709)**

6. Inventory

The Company's inventory at December 31, 2022 and 2021 consisted of the following:

	December 31,	December 31, 2021
Parts	$ 46,400	$ 89,845
Raw materials	-	3,496,737
Chemicals	193,540	301,244
Finished goods	-	170,614
	$ 239,940	**$ 4,058,440**

Raw materials consist of precious metals bearing material at the invoiced amount, based on the current estimated value. Finished goods consist of precious metals and concentrate delivered or in-transit to customers at year-end. If evidence of impairment exists inventories are written down to net realizable value. Inventory write-downs are recognized as an expense and included in the statement of loss and comprehensive loss. During the year ended December 31, 2022, write-downs of inventories to net realizable value amounted to $43,209 (2021 – $717,385).

(Expressed in Canadian dollars)

6. Inventory (continued)

Costs of inventories recognized as an expense during years ended December 31, 2022 and 2021 are as follows:

		December 31, 2022		December 31, 2021
Opening inventory	$	4,058,440	$	800,193
Purchase		853		4,754,547
Consumed (Operating costs)		(3,691,503)		(604,910)
Write-down and other adjustments (Note 21)		(127,850)		(891,390)
Closing balance	**$**	**239,940**	**$**	**4,058,440**

7. Assets held for sale

During 2022 the Company ceased processing E-waste, as further discussed in Note 21. As a result of this management determined the value of the E-waste processing assets would principally be recovered through a sale transaction rather than continued use. The Company reclassified $997,401 in property plant and equipment assets to assets held for sale. The assets reclassified as assets held for sale were measured at the lower of carrying amount and fair value less selling costs.

Assets held for sale at December 31, 2022 and 2021 consisted of the following:

		December 31, 2022		December 31, 2021
Opening balance	$	326,947	$	366,966
Additions		997,401		274,400
Sold		(25,001)		(169,100)
Written-down (Note 21)		(112,141)		(145,319)
Closing balance	**$**	**1,187,206**	**$**	**326,947**

8. Investment in Group 11

During the year ended December 31, 2020, the Company acquired 12,000,000 shares if Group 11 Technologies Inc. (“Group 11”), a US-based technology firm, representing 40% of the issued and outstanding shares of Group 11. In exchange for the initial 40% ownership position, EnviroMetal granted Group 11 a license to use the Company’s metal extraction technology. On initial recognition, the licensing fee was recorded at cost, being $750,000. The Company has determined it exercises significant influence over Group 11 and accounts or this investment using the equity method of accounting. During the Year ended December 31, 2021, Group 11 completed a private placement financing resulting in the issuance of additional shares and a dilution of the Company’s ownership to 34.46%

As at December 31, 2022, Group 11 has severely constrained its activities as financing is unavailable in its market. The Company determined its investment to be unrecoverable and wrote the balance of its investment off through its statement of loss and comprehensive income (loss).

(Expressed in Canadian dollars)

8. Investment in Group 11 (continued)

The following table is a reconciliation of the carrying value of the investment in Group 11:

		December 31, 2022		December 31, 2021
Opening balance	$	301,665	$	700,124
Adjustments to carrying value:				
Proportionate share of net loss and write-off		(301,665)		(398,459)
Closing balance	**$**	**-**	**$**	**301,665**
The Company's percentage ownership		34.46%		34.46%

Concurrent with the licensing agreement, the Company entered into a support and services agreement with Group 11, which was amended effective February 28, 2022. Under the terms of the amended support and services agreement, the Company will earn a minimum aggregate fee of $750,000 for support services provided prior to August 28, 2024. During the year ended December 31, 2022, the Company billed $70,796 (2021 - $165,071) to Group 11 for work performed under the services agreement.

9. Plant and equipment

The Company's property, plant and equipment at December 31, 2021 is as summarized below:

		Equipment		Right of Use		Office Fixtures		Computers		Vehicle		Total
Costs												
Opening balance - Jan 1, 2021	$	5,314,656	$	1,100,843	$	162,409	$	32,195	$	-	$	6,610,103
Additions		432,676		491,683		-		9,196		20,158		953,713
Transfers		(1,153,267)		-		-		-		-		(1,153,267)
Closing balance - Dec 31, 2021	$	4,594,065	$	1,592,526	$	162,409	$	41,391	$	20,158	$	6,410,549
Depreciation and impairment												
Opening balance - Jan 1, 2021	$	1,344,518	$	815,538	$	90,240	$	29,373	$	-	$	2,279,670
Additions		725,872		339,518		54,136		12,018		3,024		1,134,568
Transfers		(874,890)										(874,890)
Write down		604,467										604,467
Impairment		1,097,439										1,097,439
Closing balance - Dec 31, 2021	$	2,897,407	$	1,155,056	$	144,376	$	41,391	$	3,024	$	4,241,254
Net book value – Dec 31, 2021	**$**	**1,696,658**	**$**	**437,470**	**$**	**18,033**	**$**	**-**	**$**	**17,134**	**$**	**2,169,295**

(Expressed in Canadian dollars)

9. Plant and equipment (continued)

The Company's property, plant and equipment at December 31, 2022 is as summarized below:

	Equipment	Right of Use	Office Fixtures	Computers	Vehicle	Total
Costs						
Opening balance - Jan 1, 2022	$ 4,594,065	$ 1,592,526	$ 162,409	$ 41,391	$ 20,158	$ 6,410,549
Additions	213,217	247,950	199,359	-	-	660,526
Transfers (Note 7)	(1,432,605)	-	-	-	-	(1,432,605)
Closing balance - Dec 31, 2022	$ 3,374,677	$ 1,840,476	$ 361,768	$ 41,391	$ 20,158	$ 5,638,470
Depreciation and impairment						
Opening balance - Jan 1, 2022	$ 2,897,407	$ 1,155,056	$ 144,376	$ 41,391	$ 3,024	$ 4,241,254
Additions	446,825	341,634	60,024	-	4,032	852,515
Transfers	(435,203)	-	-	-	-	(435,203)
Closing balance – Dec 31, 2022	$ 2,909,029	$ 1,496,690	$ 204,400	$ 41,391	$ 7,056	$ 4,658,566
Net book value – Dec 31, 2022	**$ 465,648**	**$ 343,787**	**$ 157,368**	**$ -**	**$ 13,102**	**$ 979,904**

As a result of the decision to cease processing E-waste the Company reclassified equipment related to E-waste processing as assets held for sale as at December 31, 2022. The reclassified assets were valued at $997,402, which measured their value as at the lower of carrying amount and fair value less selling costs.

10. Accounts payable and accrued liabilities

A summary of accounts payable and accrued liabilities at December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Accounts payable	$ 207,951	$ 4,025,600
Accrued liabilities and advances	473,879	380,023
	$ 681,830	**$ 4,405,623**

These amounts are unsecured, non-interest bearing, without specific repayment terms and have been incurred in the normal course of business.

11. Due to (from) related parties

Related parties include key management of the Company and entities controlled by these individuals. Key management personnel consist of directors and senior management including the Chairman and Chief Executive Officer.

At December 31, 2022 and December 31, 2021, the outstanding payables to related parties were:

	December 31, 2022	December 31, 2021
Board fees and relate expenses	$ 252,498	$ 62,264
	$ 252,498	**$ 62,264**

These amounts are unsecured, non-interest bearing, without specific repayment terms, are due on demand and have been incurred in the normal course of business.

(Expressed in Canadian dollars)

12. Loan payable

Loan payable at December 31, 2022 and 2021 consists of an interest-free loan of $40,000 from the government of Canada pursuant to the CEBA program. Repaying the balance of the loan on or before December 31, 2023 will result in a loan forgiveness of $10,000 (refer to Note 16).

13. Leases

The Company's right of use assets is included in plant and equipment (Note 9). The imputed financing costs for lease liabilities were determined based on the Company's incremental borrowing rate and finance lease terms available to similar sized natural resource focussed companies, which was estimated to be 11.48% for equipment and 10.96% for buildings. Lease liabilities recognized at December 31, 2022 and December 31, 2021 are as follows:

		December 31, 2022		December 31, 2021
Lease liabilities, opening balance	$	451,493	$	308,578
Leases added		258,301		491,681
Payment of lease liabilities		(377,587)		(381,731)
Interest expense		38,574		32,965
Lease liabilities, closing balance	**$**	**370,781**	**$**	**451,493**
Lease liabilities, current		262,156		322,025
Lease liabilities, non-current		108,625		129,470
Lease liabilities, closing balance	**$**	**370,781**	**$**	**451,493**

14. Advance royalty payable

The advance royalty payable was incurred on the acquisition of the technology. The advanced royalty is presented as the amortized cost of a non-interest-bearing note of US $1,000,000, discounted at a rate of 22.0% per annum, compounded monthly over a term of 39 months and based on projected cash flows. It is unsecured and due on a minimum discounted basis as follows:

		December 31, 2022		December 31, 2021
Opening balance	$	-	$	532,392
Payments		-		(296,658)
Interest portion		-		2,552
Gain on settlement of debt		-		(238,271)
Foreing exchange adjustment		-		(15)
Closing balance	**$**	**-**	**$**	**-**

During the year ended December 31, 2021, the Company settled the advance royalty in full by way of a cash payment in the amount of US $150,000 and by issuing 250,000 common shares in the capital of the Company.

(Expressed in Canadian dollars)

15. Share capital

(a) Capital stock

Authorized capital stock consists of an unlimited number of common shares, without par value.

On January 29, 2021, the Company issued 250,000 shares, valued at $105,000, less share issuance costs of $2,073 as part of the settlement of the advance royalty payable (refer to Note 14).

On March 31, 2022, the Company closed a non-brokered private placement of 14,232,456 units at a price of $0.25 per unit for gross proceeds of $3,558,114. Each Unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one common share in the capital of the Company at a price of $0.50 at any time within prior to the 24-month anniversary date of closing. In connection with the private placement, the Company paid finder's fees of $59,455 and issued 237,820 compensation warrants valued at $24,036 and incurred $55,534 in other issuance costs.

(b) Share-based payments

The Company's equity compensation plan (2020 Plan) was approved by shareholders on November 24, 2020. Per the 2020 Plan the aggregate number of shares reserved for issuance shall not exceed 20% of the Company's issued and outstanding common shares on the date of grant. Options that are exercised, expired or otherwise terminated for any reason shall again be available for the purpose of granting options pursuant to the 2020 Plan. The 2020 Plan allows for options to be issued to directors, officers, employees and consultants of the Company or a subsidiary of the Company. Options granted must be exercised no more than five years from the date of grant or such lesser period as may be determined by the Company's board of directors and in accordance with the policies of the Canadian Securities Exchange. The board of directors also determines the time period during which options shall vest and the method of vesting which are also subject to the policies of the Canadian Securities Exchange.

The grant date fair value is calculated using the Black-Scholes option pricing model. Where relevant, the expected life has been adjusted based on management's best estimate for the effects of historical forfeitures and behavioral considerations. Expected volatility is based on the historical share price volatility. Stock based compensation was $438,520 for 2022 (2021 – 104,571). Forfeiture has been calculated at 38% over 5 years in accordance with realized values. The Black-Scholes option valuation model input factors for stock options granted in 2022 and 2021 were as follows:

	October 25, 2022	June 6, 2022	August 20, 2021	February 15, 2021
Exercise price	$0.25	$0.25	$0.38	$0.70
Grant date market price	$0.10	$0.185	$0.38	$0.70
Risk free interest rate	3.44%	2.98%	0.74%	0.74%
Expected life (years)	2.00	2.00	3.75	4.19
Expected volatility	95.85%	90.61%	83.85%	87.86%
Dividend yield	-	-	-	-
Fair value	$0.0296	$0.0768	$0.2238	$0.4458

(Expressed in Canadian dollars)

15. Share capital (continued)

The following tables summarize the number of stock options that the Company has outstanding at December 31, 2022 and 2021, including details of options granted, exercised, expired and forfeited during the year:

	Number of stock options outstanding		Weighted average exercise prices
Balance, December 31, 2020	**9,150,000**	**$**	**0.69**
Granted	335,000		0.57
Exercised	(400,000)		0.25
Expired/cancelled	(1,425,000)		0.75
Balance, December 31, 2021	**7,660,000**	**$**	**0.66**
Granted	5,925,000		0.25
Expired/cancelled	(3,600,000)		0.41
Balance, December 31, 2022	**9,985,000**	**$**	**0.51**
Exercisable, December 31, 2022	**9,985,000**	**$**	**0.51**

The following table summarizes the stock options the Company has outstanding at December 31, 2022:

Expiry date		Exercise price	Number of stock options	Weighted average years to expiry
April 12, 2023	$	1.65	100,000	0.28
July 18, 2023		1.20	25,000	0.55
March 1, 2024		0.76	1,275,000	1.17
June 6, 2024		0.25	5,575,000	1.43
June 14, 2024		0.96	250,000	1.45
October 24, 2024		.025	350,000	1.82
December 11, 2024		1.45	725,000	1.95
April 24, 2025		0.76	1,250,000	2.32
October 15, 2025		0.46	400,000	2.79
August 20, 2026		0.38	35,000	3.64
	$	**0.51**	**9,985,000**	**1.61**

The outstanding options as at December 31, 2022 have a weighted average remaining contractual life of 1.61 years (December 31, 2021 – 1.88 years).

The reserves, $9,171,664 (2021: $7,765,127) record items recognized as share-based payments expense and compensation warrant issuing costs until such time that the underlying stock options and warrants are exercised, at which time the corresponding amounts will be transferred to share capital. The Company recognizes amounts received for issuing equity above par value as contribute surplus, $750,000 (2021 - $750,000).

(Expressed in Canadian dollars)

15. Share capital (continued)

(c) Warrants

During the period ended September 30, 2022, the Company completed a non-brokered private placement in two tranches and issued a total of 14,232,456 share purchase warrants and 237,820 compensation warrants. On February 18, 2021 a total of 13,026,000 share purchase warrants and 172,320 compensation warrants (February Warrants) were issued on the closing of the first tranche of the private placement and on March 31, 2021 a total of 1,206,456 share purchase warrants and 65,500 compensation warrants (March Warrants) were issued on the closing of the second and final tranche of the private placement.

The fair value of the February Warrants was estimated at $1,324,744 and the fair value of the March Warrants was estimated at $109,367 using the Black-Scholes pricing model. The key inputs into the Black-Scholes pricing model was a grant date share price of $0.28, risk-free interest rate of 1.49%, expected life of 2 years, expected annualized volatility of 95.33% and expected dividend yield of 0. The Company has allocated the gross proceeds from unit issuances between common shares and warrants using their relative fair values.

As at December 31, 2022, there were 14,470,276 warrants are outstanding, as follows:

	Number of warrants outstanding		Weighted average exercise prices
Balance, December 31, 2020	**21,828,352**	**$**	**0.58**
Issued	-		-
Expired/cancelled	(618,100)		0.50
Balance, December 31, 2021	**21,210,252**	**$**	**0.58**
Issued	14,470,276		0.50
Expired/cancelled	(21,210,252)		0.58
Balance, December 31, 2022	**14,470,276**	**$**	**0.50**

The following table summarizes the share purchase warrants the Company has outstanding at December 31, 2022:

Expiry date		Exercise price	Number of warrants outstanding	Weighted average years to expiry
February 18, 2024		0.50	13,198,320	1.13
March 31, 2024		0.50	1,271,956	1.25
	$	**0.50**	**14,470,276**	**1.14**

16. Government stimulus subsidies

The Company has participated in available stimulus subsidies offered by the Federal Governments of Canada to help offset the negative impact of the COVID-19 pandemic and received funding through federally funded research assistance programs.

(Expressed in Canadian dollars)

16. Government stimulus subsidies (continued)

(a) Canada Emergency Wage Subsidy (CEWS)

The CEWS provides qualifying companies with a monthly financial support grant based on payroll, subject to certain caps. Eligibility is triggered by and scaled according to the reduction in year-over-year Canadian revenue on a month-by-month basis. During the year ended December 31, 2022, the Company recognized $nil (2021 - $332,777) in government wage subsidy income as reductions of management and employee costs.

(b) Canada Emergency Rent Subsidy (CERS)

The CERS provides qualifying companies with a monthly financial support grant based on eligible expenses, subject to certain caps. Eligibility is triggered by and scaled according to the reduction in year-over-year Canadian revenue on a month-by-month basis. During the year ended December 31, 2022, the Company recognized $nil (2021 - $128,648) in government rent subsidy income as reductions of operating costs, and $nil (2021 - $36,524) as reduction of office and general expenses.

(c) Canada Emergency Business Account (CEBA)

On May 8, 2020, the Company received an interest-free loan of $40,000 from the government of Canada pursuant to the CEBA program. Repaying the balance of the loan on or before December 31, 2023 will result in a loan forgiveness of $10,000.

(d) National Research Council of Canada Industrial Research Assistance Program (IRAP)

IRAP provides companies with qualifying research projects with a monthly financial grant based on eligible wages expenses. During the year ended December 31, 2022, the Company recognized $40,930 (2021 - $98,235) in government wage subsidy income as reductions of management and employee costs.

17. Nature of expenses

The components of general and administration for the years ended December 31, 2022 and 2021 were as follows:

		December 31, 2022		**December 31, 2021**
Consulting fees	$	298,653	$	131,009
Office and general		198,367		124,145
Professional fees		355,551		634,978
Public company costs		433,029		509,057
Travel		28,620		20,955
	$	**1,314,220**	**$**	**1,420,144**

(Expressed in Canadian dollars)

18. Supplemental cash flow disclosures

Supplemental details of the changes in non-cash working capital for the years ended December 31, 2022 and 2021 were as follows:

		December 31, 2022		December 31, 2021
Trade and other receivable	$	405,763	$	(325,645)
Inventories		3,775,291		(4,352,444)
Prepaid expenses and deposits		75,143		97,159
Deferred revenues		(38,126)		38,125
Due to related parties		142,670		(140,418)
Non-controlling interest		-		1,109,026
Accounts payable and accrued liabilities		(3,971,429)		3,356,649
	$	**389,312**	**$**	**(217,548)**

19. Key management compensation

Compensation paid or accrued to directors and key management during the period ended December 31, 2022 and 2021 are as follows:

		December 31, 2022		December 31, 2021
Salaries and consulting fees	$	773,324	$	892,022
Directors fees		229,181		254,765
Share based payments		330,240		-
Other		8,400		18,200
	$	**1,341,145**	**$**	**1,164,987**

All transactions involving related parties are made on terms equivalent to those which prevail with arm's length transactions.

20. Income taxes

The provision for income taxes differs from the expected amount calculated using the combined Canadian federal and provincial statutory income tax rates of 27% as follows:

		December 31, 2022		December 31, 2021
Loss and comprehensive loss from continuing Operations	$	(3,850,680)	$	(7,658,399)
Expected income tax recovery at statutory rates		(1,040,000)		(2,068,000)
Non-deductible expenditures		39,000		137,000
Change in estimate and truing up prior years		-		-
Change in unrecognized deductible temporary difference		1,001,000		1,931,000
	$	**-**	**$**	**-**

(Expressed in Canadian dollars)

20. Income taxes (continued)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) as at December 31, 2022 and 2021 are as follows:

		December 31, 2022		December 31, 2021
Non-capital loss carryforwards	$	-	$	121,000
Plant and Equipment		-		(121,000)
Net deferred tax assets (liabilities)	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated financial statements of financial position are as follows:

		December 31,2022		December 31, 2021
Non-capital losses – expire 2036 to 2042	$	26,682,000	$	21,569,000
Intangible assets		5,655,000		5,953,000
Property plant and equipment		1,160,000		-
Lease liabilities		371,000		451,000
Shareholder costs – expire 2022 to 2025		238,000		328,000
Trade and other receivables		-		474,000
Total	**$**	**34,106,000**	**$**	**28,775,000**

21. Discontinued Operations

At the end of 2022, management decided to discontinue processing E-waste at its EnviroCircuit facility in line with the Company's strategy to focus on licensing its gold recovery technology to mining industry clients. Consequently, assets and liabilities allocable to EnviroCircuit were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from the profit or loss from the Company's continuing operations and are shown as a single line item in the consolidated statement of profit and loss.

		December 31,2022		December 31, 2021
Revenue	**$**	**346,457**	**$**	**673,393**
Operating costs		(321,762)		(599,222)
Management and employee costs		(652,305)		(718,964)
General and administration		(399,311)		(362,913)
Depreciation and amortization		(435,203)		(725,872)
Loss from discontinued operations	**$**	**(1,462,124)**	**$**	**(1,733,578)**
Loss on measurement and disposal				
Loss on disposal of assets		(164,123)		10,523
Write-down of assets		(38,276)		(1,134,216)
Impairment loss on plant and equipment		-		(1,097,439)
Total loss on measurement and disposal	**$**	**(202,399)**	**$**	**(2,221,132)**
Loss for the year from discontinued operations	**$**	**(1,664,523)**	**$**	**(3,954,710)**

21. Discontinued Operations (continued)

The carrying values of the assets and liabilities in the disposal group are summarized as follows:

		December 31,2022		December 31, 2021
Current assets				
Cash and equivalents	$	-	$	222,243
Accounts receivable		-		203,719
Inventories		-		269,559
Assets held for sale		1,187,206		326,947
	$	1,187,206	$	1,022,468
Non-current assets				
Property, plant and equipment	$	-	$	1,696,658
Current liabilities				
Accounts payable		31,069		192,064

22. 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 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 new shares, acquire or dispose of assets, or acquire new debt. The Company does not currently pay dividends.

The realization of the Company's long-range strategic objectives is dependent on its ability to generate revenues and raise financing from shareholders or lenders. Management continues to regularly review and consider financing alternatives to fund the Company's future operations and development efforts.

The Company considers the components of shareholders' equity to be its capital. The Company is not subject to any externally imposed capital requirements.

23. Financial instruments and risks

The Company's current business involves consulting for clients, licensing its proprietary technology for the extraction of precious metals for the mining and E-waste industries and select processing of ores and concentrates, which exposes the Company to a variety of financial instrument related risks. These risks include foreign currency risk, credit risk, liquidity risk, market risk and other risks. The Company's board of directors provides oversight for the Company's risk management processes.

(a) Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries or currencies. The Company mainly transacts in Canadian dollars and United States dollars. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(Expressed in Canadian dollars)

23. Financial instruments and risks (continued)

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At December 31, 2022, the Company was not exposed to significant interest rate risk.

At December 31, 2022, the Company has net liabilities of $6,390 (USD $4,673) due in USD (December 31, 2021 - $641,157 (USD $507,485)). A 10% weakening against the US dollar of the currencies to which the Company had exposure would have had a $639 impact on net liabilities (2021 - $64,115). A 10% strengthening against the US dollar would have had the opposite effect.

(b) Credit risk

The Company's credit risk is primarily attributable to cash and trade and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of accounts at reputable financial institution, from which management believes the risk of loss to be remote. In Canada, federal deposit insurance covers balances up to $100,000. Financial instruments included in receivables consist of amounts due from government agencies. At December 31, 2022, management considers the Company's exposure to credit risk is minimal. Aging of trade and other receivables as disclosed in Note 5.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at December 31, 2022, the Company had a cash balance of $429,038 (2021 - $784,790) to settle current liabilities of $2,345,510 (2021 - $5,977,063).

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
December 31, 2022					
Trades payable and accrued liabilities	$ 681,830	$ -	$ -	$ -	$ 681,830
Due to related parties	252,498	-	-	-	252,498
CEBA loan	40,000	-	-	-	40,000
Contingent liability	1,109,026	-	-	-	1,109,026
December 31, 2021					
Trades payable and accrued liabilities	$ 4,405,623	$ -	$ -	$ -	$ 4,405,623
Due to related parties	62,264	-	-	-	62,264
CEBA loan	40,000	-	-	-	40,000
Contingent liability	1,109,026	-	-	-	1,109,026

The Company is not yet profitable and has relied on the issuance of equity securities, primarily through private placements and loans from related and other parties to fund its operations. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or other funding.

(Expressed in Canadian dollars)

23. Financial instruments and risks (continued)

(d) Fair value

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value in the fair value hierarchy.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques using input 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);

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data.

The carrying value of the Company's financial assets and liabilities approximate their fair values due to their nature and their short-term to maturity.

24. Segmented information

The executive committee headed by the CEO, has been identified by the group as the chief operational decision maker responsible for assessing the performance and allocation of resources of the group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The identification of reportable segments is determined based on a consideration of products and services, organizational structures, geographical areas, economic and regulatory environments and the separable nature of activities or conversely inherent interconnectedness and whether these meet the criteria for aggregation.

Management assesses information relating to the performance of the single segment on multiple levels and from multiple perspectives. All elements are regarded as inter-connected and as such, no part of the business is regarded as separable from the rest.

The total revenue recorded during the years ended December 31, 2022 and 2021 is allocated to the following income streams:

		December 31, 2022		**December 31, 2021**
Sales of precious and other metals	$	3,412,849	$	-
Services related to intellectual property		109,763		177,963
	$	**3,522,612**	**$**	**177,963**

25. Commitments and contingencies

As at December 31, 2022 and December 31, 2021, the Company does not have contractual obligations other than disclosed in the consolidated financial statements.

EnviroMetal commenced a civil action against Regenx Technologies Corp. (formerly "Mineworx Technologies Ltd.") and related parties (jointly, the Mineworx Defendants) in the Supreme Court of British Columbia in June 2021.

25. Commitments and contingencies (continued)

The claims against the Mineworx Defendants include, among other things, the following:

- The Mineworx Defendants, through various agreements with EnviroMetal, gained access to certain of EnviroMetal's intellectual property relating to the development and commercialization of environmentally friendly chemical formulas and technologies for use in the treatment of materials in the primary and secondary metals industries. EnviroMetal has since terminated those access agreements.
- Because access to EnviroMetal’s IP has been terminated and without a license from EnviroMetal, the Mineworx Defendants are not entitled to use or otherwise exploit any of EnviroMetal's IP.
- The Mineworx Defendants have failed to comply with EnviroMetal's notices to cease and desist using EnviroMetal's IP and they continue to make public statements in relation to their purported ability to develop and commercialize "proprietary, environmentally friendly processing technologies for the recovery of precious metals."
- Absent the prior access to EnviroMetal's IP, the Mineworx Defendants lacked the scientific or technical resources and capabilities to develop and commercialize "proprietary, environmentally friendly processing technologies for the recovery of precious metals."

The Mineworx Defendants are purporting to be competing with EnviroMetal in the recovery of platinum group metals from spent catalysts using a chemical formula and process based on EnviroMetal's IP without a license to do so from EnviroMetal. These actions by the Mineworx Defendants are in breach of the access agreements, confidentiality agreements, as well as the asset purchase agreement between Mineworx and EnviroMetal dated December 19, 2016. These actions also constitute breach of confidence.

EnviroMetal is seeking, among other relief from the court, general, aggravated, and punitive damages against the Mineworx Defendants, an injunction prohibiting the Mineworx Defendants from using any confidential information or intellectual property belonging to EnviroMetal, and disgorgement of profit arising from such unauthorized use.

In January 2022, the court granted Enviroleach’s application for an injunction that, amongst other things, prohibits the Mineworx Defendants from disclosing any confidential information or intellectual property belonging to EnviroMetal until further court order.

Mineworx disputes EnviroMetal’s claims and has commenced a counterclaim against EnviroMetal for, amongst other things, alleged breaches of various agreements between the parties. Some of Mineworx’s claims are subject to arbitration clauses. As a result, Mineworx has served EnviroMetal with a notice to arbitrate those claims. EnviroMetal believes there are no merits to the claims.

Prior to commencing the legal action against Mineworx, the Company provided the Mineworx Defendants with notices of breach and provided the required amount of time to remedy. The Joint Venture was terminated on April 5, 2021, and no further non-controlling interest was recorded as of June 30, 2021. In accordance with IFRS 9, the Company recorded an expected credit loss of $473,709 related to amounts due to the Company from Mineworx during year ended December 31, 2021.

Due to the ongoing dispute with Mineworx, the final settlement value, if any, of the non-controlling interest is subject to significant uncertainty, and as such until judgement is rendered or settlement occurs the Company will recognize a contingent liability of $1,109,026, the amount recognized in the Company’s consolidated financial statements at the time the joint venture was terminated. The Company believes that the maximum exposure is not representative of the actual potential loss exposure.

26. Subsequent events

Subsequent to December 31, 2022 on February 2, 2023 the Company announced it is receiving advisory services and research and development funding of up to $100,000 from the National Research Council of Canada. The funding will be used to enhancing the value of the EnviroMetal Process in the key areas of metal recovery and reagent consumption by further investigating the effects of process variables including reagent concentration, reagent purity, leach time and pulp density. The project is scheduled to continue through March 31, 2024.

On February 28, 2023, the Company granted 200,000 incentive stock options to Jemini Capital in relation to an investor relations agreement. The options were granted with an exercise price of $0.15 per share, 2 year life and are subject to vesting provisions.

The Company issued $165,200 in convertible notes ("Notes") bearing an interest rate of 12% per annum accruing daily. The notes mature 120 days from the issuance date. If the Company completes an equity financing prior to the maturity date the Notes will convert to units of the equity financing. If the Company does not complete an equity financing prior to the Note's maturity date the Notes plus any accrued interest will be converted into a unit equity financing with each unit priced at $0.08. Each unit will consist of 1 common share in the Company plus 1 share purchase warrant with each warrant convertible into 1 common share in the Company at a price of $0.15 per share in the 12 months following issuance and at a price of $0.24 per share during the subsequent 12 month period.