
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

SOLVBL SOLUTIONS INC.
(Formerly Stowe One Investments Corp.)

Three Months Ended March 31, 2022
(Unaudited, Expressed in Canadian Dollars)

Solvbl Solutions Inc.
(Formerly Stowe One Investments Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three Months Ended MARCH 31, 2022

(Unaudited, Expressed in Canadian Dollars)

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NOTICE TO READERS

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

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

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

Alan Rootenberg, Director
May 27, 2022

Solvbl Solutions Inc.

(Formerly Stowe One Investments Corp.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Assets			
Current assets:			
Cash and cash equivalents	6	\$ 739,282	\$ 1,278,320
Cash held in trust		402	402
GIC investments	7	800,000	650,000
Prepaid expenses and sundry assets		151,068	227,548
Tax receivables		127,129	95,455
		1,817,881	2,251,725
Non-current assets:			
Equipment	8	8,459	5,740
Total assets		\$ 1,826,340	\$ 2,257,465
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	9	\$ 56,935	\$ 115,638
Deferred revenue	10	144,955	144,955
Government loan	11	58,126	57,526
		260,016	318,119
Total liabilities		260,016	318,119
Shareholders' equity			
Share capital	12	5,180,903	5,180,903
Warrants reserve	13	1,498,851	1,498,851
Stock option reserve	14	633,502	545,849
Contributed surplus	15	312,706	312,706
Deficit		(6,059,638)	(5,598,963)
Total shareholders' equity		1,566,324	1,939,346
Total liabilities and equity		\$ 1,826,340	\$ 2,257,465

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

Going concern - Note 1

Subsequent events - Note 20

“Vikas Gupta”

Director

“Alan Rootenberg”

Director

Solvbl Solutions Inc.

(Formerly Stowe One Investments Corp.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited, Expressed in Canadian Dollars)

Three months ended March 31, 2022 and 2021

	Notes	2022	2021
Revenue		\$ -	\$ -
Expenses:			
Professional and consulting fees		126,515	126,982
Salaries and benefits		107,313	144,335
General and administrative		25,068	29,142
Shareholder services		114,372	9,416
Listing expense	5	-	748,375
Share-based compensation	14	87,653	5,127
Depreciation	8	430	7,716
Loss from operations		(461,351)	(1,071,093)
Other (income) expense			
Interest income		(1,276)	-
Government subsidy	16	-	(202,825)
Interest expenses	11	600	6,267
		(676)	(196,558)
Loss before income tax expense		(460,675)	(874,535)
Income tax expense		-	-
Loss and comprehensive loss		\$ (460,675)	\$ (874,535)
Weighted average number of shares - basic		152,533,063	79,302,628
Weighted average number of shares - diluted		152,533,063	82,376,672
Loss per share - basic		(\$0.00)	(\$0.01)
Loss per share - diluted		(\$0.00)	(\$0.01)

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

Solvbl Solutions Inc.

(Formerly Stowe One Investments Corp.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Unaudited, Expressed in Canadian Dollars)

Three months ended March 31, 2022 and 2021

	Notes	Number of Shares	Share Capital	Warrants	Stock option reserve	Contributed Surplus	Deficit	Total
Balance, January 1, 2021		77,469,586	2,283,847	-	423,291	304,806	(3,203,386)	(191,442)
Common shares issued through RTO	5	3,366,811	505,023	-	-	-	-	505,023
Stock options exercised	12,14	100,000	10,000	-	-	-	-	10,000
Stock based compensation	14	-	-	-	5,127	-	-	5,127
Net loss for the year		-	-	-	-	-	(874,535)	(874,535)
Balance, March 31, 2021		80,936,397	\$ 2,798,870	\$ -	\$ 428,418	\$ 304,806	\$ (4,077,921)	\$ (545,827)
Balance, January 1, 2022		152,533,063	5,180,903	1,498,851	545,849	312,706	(5,598,963)	1,939,346
Stock based compensation	14	-	-	-	87,653	-	-	87,653
Net loss for the year		-	-	-	-	-	(460,675)	(460,675)
Balance, March 31, 2022		152,533,063	\$ 5,180,903	\$ 1,498,851	\$ 633,502	\$ 312,706	\$ (6,059,638)	\$ 1,566,324

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

Solvbl Solutions Inc.

(Formerly Stowe One Investments Corp.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, Expressed in Canadian Dollars)

Three months ended March 31,	Notes	2022	2021
Cash flow used in operating activities			
Net loss for the period		\$ (460,675)	\$ (874,535)
Adjustments to net loss for non-cash items:			
Share-based compensation	14	87,653	5,127
Listing expense	5	-	748,374
Preacquisition deficit - Stowe One	5	-	(243,352)
Interest expenses -accretion	11	600	5,832
Depreciation - right-of-use asset		-	7,100
Depreciation - equipment	8	430	615
		(371,992)	(350,839)
Changes in non-cash working capital:			
Decrease in prepaids and other receivables		70,731	194,205
Decrease/(increase) in tax receivables		(25,925)	600
(Decrease) increase in accounts payables and accrued liabilities ^{a)}		(58,703)	74,144
		(385,889)	(81,890)
Cash flow used in investing activity			
Purchase of computer equipment		(3,149)	-
GIC investment		(800,000)	-
		(803,149)	-
Cash flow from financing activities			
Proceeds from stock option exercise	12	-	10,000
		-	10,000
Decrease in cash		(1,189,038)	(71,890)
Cash and cash equivalents, beginning of period		1,928,722	225,281
Cash and cash equivalents, end of period		\$ 739,684	\$ 153,391
Cash and cash equivalents		\$ 739,282	\$ 152,989
Cash held in trust		402	402
		\$ 739,684	\$ 153,391

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

Going concern - Note 1

Subsequent events - Note 20

Supplemental cash flow information:

^{a)} Unpaid office rent and interest in accounts payables and accrued liabilities

\$ - \$ 8,565

Solvbl Solutions Inc. (Formerly Stowe One Investment Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, Expressed in Canadian Dollars)

1. Nature of Operations

Solvbl Solutions Inc. (“Solvbl” or “the Company”) - formerly Stowe One Investments Corp. (“Stowe One”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on June 16, 2017, head and registered office was located at Suite 650, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3. Stowe One was incorporated as a wholly-owned subsidiary of Anacott Resources Corp. (“Anacott”). Stowe One entered into an arrangement agreement dated June 26, 2017 among Anacott, Stowe One and other subsidiaries of Anacott (the “Anacott Arrangement Agreement”) in connection with a plan of arrangement (the “Anacott Arrangement”), which was approved by the shareholders of Anacott on July 27, 2017. On July 28, 2017, the Court granted the Final Order approving the Arrangement in accordance with Part 9 of the BCBCA and Stowe One was spun out and became a reporting issuer in Alberta and British Columbia.

Since the completion of the Anacott Arrangement until the closing of the three cornered amalgamation pursuant to the provisions of the BCBCA, whereby 1191212 B.C. Ltd, (“1191212”) a wholly-owned subsidiary of Stowe One and Agile Blockchain Corp. (“Agile”) amalgamated on February 10, 2021 (“Closing”), with 1191212 B.C. Ltd (“Amalco”) surviving as a wholly-owned subsidiary of the Company (“Amalgamation”), Stowe One did not carry on any active business other than the identification and evaluation of acquisition opportunities to permit Stowe One to acquire a business or assets in order to conduct commercial operations.

Prior to the Closing, Stowe One did not have any business operations or assets other than cash, and did not have written or oral agreements in principle for the acquisition of an asset or business other than the Amalgamation Agreement. Immediately prior to Closing, Stowe One changed its name to “Solvbl Solutions Inc.”

Agile was incorporated on March 2, 2018 in the Province of British Columbia, Canada. Agile is a software company developing software that would help different companies address their supply chain issues within their respective businesses using blockchain backed software solutions. Head office of Agile was located at 15 Toronto Street, Suite 602, Toronto, Ontario, M5C 2E3.

Amalgamation

On December 21, 2018, Agile signed an amalgamation agreement (“Amalgamation Agreement”) with 1191212. Under the terms of the Amalgamation Agreement, Agile agreed to amalgamate with 1191212 and proposed to combine the business and assets of Stowe One and Agile through the amalgamation (the “Transaction”), among other things, this resulted in the Stowe One shares having a deemed value of \$0.07 per share. As of the date of the Amalgamation Agreement, Stowe One had a total of 7,214,607 shares outstanding.

In April and November 2020, Agile raised \$731,205 and \$9,021, respectively, by way of non-brokered private placements at a price of \$0.15 per common share in the capital of Agile (“Agile Common Share”).

The Transaction was completed on February 10, 2021 and immediately prior to the closing of the Transaction, Stowe One changed its name to Solvbl Solutions Inc. and consolidated its share capital on the basis of one post-consolidation common shares for each 2.1428571 pre-consolidation common shares, total 3,366,817 post-consolidation shares was issued. (Note 5)

The Company commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol SOLV at the open of business on February 23, 2021.

On July 1, 2021, the Company moved its registered head office to First Canadian Place, 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7.

Solvbl Solutions Inc. (Formerly Stowe One Investment Corp.)

Notes to the condensed interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, Expressed in Canadian Dollars)

Going Concern

As at March 31, 2022, the Company had an accumulated deficit amounting to \$6,059,638 (December 31, 2021: \$5,598,963). As at March 31, 2022, the Company had working capital of \$1,557,865 (December 31, 2021: \$1,933,606). The Company has generated negative operating cashflow of \$385,889 for the three months ended March 31, 2022 (2021: negative operating cashflow of \$81,890). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its developed products, the continuing financial support of shareholders or other investors, or obtaining new financing on commercial terms acceptable to the Company. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The accompanying condensed interim consolidated financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. These condensed interim consolidated financial statements do not include any adjustments to reflect any events since March 31, 2022 or the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from this uncertainty.

Covid – 19

In March 2020, the World Health Organization (“WHO”) classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Many countries reacted by instituting quarantines and restrictions on travel. These actions are creating disruption in global supply chains and adversely impacting economic and market conditions and triggered a period of global economic slowdown. Generally, the business development activities of the Company have slowed due to COVID-19. Management is actively monitoring the global situation on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the outbreak on its result of operations, financial condition and liquidity at this time.

Since the emergence in or about December 2019 of a novel strain of coronavirus (“COVID-19”), the highly contagious virus has spread across the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Since that time in response to the outbreak, governmental authorities in Canada and internationally have implemented various measures with the aim of preventing or limiting further spread of COVID-19. These measures, which have included travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, and social distancing, have, among other things, resulted in widespread business, employment and economic disruptions. While the recent positive news of vaccine results are promising, the infection and death rates are still very worrying. The global pandemic continues to rapidly evolve and the ultimate impact of the COVID-19 outbreak is highly uncertain.

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including with respect to issues related to securing clients in Canada, US and elsewhere and may also impact our business in the supply chain sector. The Company has not yet begun selling its products but is implementing or will implement precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, and potential clients and partners, which may adversely impact the Company's productivity and its business in the supply chain sector. For example, mandatory or voluntary self-quarantines may limit the staffing at the Company's facility. In addition, it is possible that among other things, travel restrictions to the US and elsewhere due to the COVID-19 pandemic may adversely affect the Company's ability to successfully market and sell its products in Canada and elsewhere. Continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible national or global recession. Due to the unpredictability and scale of the effects of COVID-19, The Company is unable to accurately estimate the impact or level of materiality of COVID-19 on its business, operations or financial results.

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Notes to the condensed interim Consolidated Financial Statements

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The Company will monitor the situation in order to assess any possible adverse impact on its business, supply chain and customers on an ongoing basis and to determine which measures, if any, will be taken to mitigate such adverse impact.

2. Basis of preparation

a) Statement of Compliance:

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). These condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2021 and 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company for issuance on May 27, 2022.

b) Functional and Presentation Currency:

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value.

The functional currency of the Company is the Canadian Dollar, which is also the presentation currency of these condensed interim consolidated financial statements.

c) Accounting estimates and judgements

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the condensed interim consolidated financial statements.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses various factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results could differ from the estimates used under different assumptions and conditions.

The most significant judgments applying to the Company's condensed interim consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- Impairment of non-financial assets
- Leases renewal terms and incremental borrowing rate
- Revenue recognition
- Provisions

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(Unaudited, Expressed in Canadian Dollars)

Significant estimates or key sources of estimation uncertainty include:

- Current and deferred income taxes
- Allowance for expected credit losses
- Useful lives of non-financial assets
- Share-based payment transactions and warrants
- Forfeiture of stock-based compensation

3. Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company in its financial statements for the years ended December 31, 2021 and 2020, other than as disclosed in Note 4, adoption of new accounting standards.

4. Adoption of New Accounting Standards

There were no new accounting standards adopted by the Company in the year ended December 31, 2021 and the three months ended March 31, 2022.

5. Qualified transaction

On February 10, 2021, Agile and Stowe One completed their previously announced Amalgamation which resulted in the reverse take-over of Stowe One by Agile (the "Transaction"). As a result of the Transaction, Stowe One now carries on the business of Agile. The Company also publicly filed a non-offering final prospectus dated February 10, 2021 (the "Prospectus") in connection with the listing of its common shares (the "Common Shares") on the Canadian Securities Exchange ("CSE"). The Company received approval from the CSE to list its Common Shares on the CSE. Trading in the Common Shares commenced under the ticker symbol "SOLV" on or about February 23, 2021 following the issuance by the CSE of its final bulletin in respect of the listing.

Immediately prior to the completion of the Transaction, Stowe One: (a) filed articles of amendment to change its name from "Stowe One Investment Corp." to "Solvbl Solutions Inc."; and (b) consolidated its share capital on the basis of one post-consolidation Common Share for each 2.1428571 pre-consolidation Common Shares, with total 3,366,817 post-consolidation shares issued. Under the terms of an amalgamation agreement between Stowe One (now Solvbl), Agile and 1191212 BC Ltd., a wholly owned subsidiary of Stowe One ("Subco"), dated effective December 21, 2018, as amended and restated effective August 14, 2020, the Transaction was completed by way of a three-cornered amalgamation under the laws of British Columbia whereby Subco merged with and into Agile to form an amalgamated entity, named "1191212 BC Ltd.". On closing of the Transaction, the amalgamated "1191212 BC Ltd." became a wholly owned subsidiary of SolVBL and the shareholders of Agile were issued one Common Share in exchange for every one Agile common share held immediately prior to the completion of the Transaction. In addition, each outstanding option to purchase Agile common shares was exchanged for the equivalent number of options to purchase common shares of Solvbl on the same terms and conditions as the original security.

Following the completion of the Transaction, SolVBL has 80,836,397 Common Shares issued and outstanding, approximately 4.2% of which are held by the prior shareholders of Stowe One Investments Corp. and approximately 95.8% of which are held by the former shareholders of Agile.

In connection with the completion of the Transaction, all directors and officers of Stowe One resigned and were replaced by nominees of Agile, as follows: (a) Raymond Pomroy - Chief Executive Officer and Corporate Secretary; (b) Khurram Qureshi - Chief Financial Officer; (c) Vikas

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Notes to the condensed interim Consolidated Financial Statements

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(Unaudited, Expressed in Canadian Dollars)

Gupta - Director; (d) Musabbir Chowdhury- Director; (e) Brenda Brown - Director; and (f) Alan Rootenberg - Director.

The fair value of the consideration issued at the closing of the Transaction is as follows:

Deemed fair value of the issued shares of the Company		3,366,817
Price per share		<u>0.15</u>
Cost of acquisition		<u>505,022</u>
Fair value of Stowe One net deficit:		
Cash	164	
Accounts Receivable	5,568	
Accounts Payable and Accrued Liabilities	(14,084)	
Amount due to Agile	<u>(235,000)</u>	
		<u>243,352</u>
Listing expense		<u>748,374</u>

The purchase price is recorded as an increase in share capital after day-one write off of as a listing expense in the profit and loss.

6. Cash and cash equivalents

	March 31, 2022	December 31, 2021
Cash in bank	\$ 89,282	\$ 128,320
Redeemable/variable rate GIC	650,000	1,150,000
	<u>\$ 739,282</u>	<u>\$ 1,278,320</u>

7. GIC investment

	March 31, 2022	December 31, 2021
One year locked GIC	<u>\$ 800,000</u>	<u>\$ 650,000</u>

As at March 31, 2022, the Company held \$650,000 one-year locked GIC investment with annual interest rate of 1.5% maturing on September 13, 2022 and \$150,000 one-year locked GIC investment with annual interest rate of 2.3% maturing on March 18, 2023.

As at December 31, 2021, the Company held one-year locked GIC investment with annual interest rate of 1.5% maturing on September 13, 2022.

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Notes to the condensed interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, Expressed in Canadian Dollars)

8. Equipment

	Blockchain Hardware	Computer Equipment	Total
<u>Cost</u>			
Balance, January 1, 2021	\$ 3,989	\$ 16,710	\$ 20,699
Additions	-	-	-
Balance, December 31, 2021	3,989	16,710	20,699
Additions	-	3,149	3,149
Balance, March 31, 2022	\$ 3,989	\$ 19,859	\$ 23,848
<u>Accumulated depreciation</u>			
Balance, January 1, 2021	(\$ 1,521)	(\$ 10,978)	(\$ 12,499)
Additions	(740)	(1,720)	(2,460)
Balance, December 31, 2021	(2,261)	(12,698)	(14,959)
Additions	(130)	(300)	(430)
Balance, March 31, 2022	(\$ 2,391)	(\$ 12,998)	(\$ 15,389)
<u>Net book value, January 1, 2022</u>	\$ 1,728	\$ 4,012	\$ 5,740
<u>Net book value, March 31, 2022</u>	\$ 1,598	\$ 6,861	\$ 8,459

9. Accounts Payable and Accrued Liabilities

	March 31, 2022	December 31, 2021
Accounts payable	\$ 23,382	\$ 28,779
Accrued liabilities	28,459	82,990
Payroll deductions payable	5,094	3,869
	\$ 56,935	\$ 115,638

10. Deferred Revenue

	Deferred revenue
Balance, January 1, 2021	\$ 24,955
Licensing fee	120,000
Balance, December 31, 2021 and March 31, 2022	\$ 144,955

11. Government loans

On April 16, 2020, the Company received a loan of \$40,000 through the Canadian Emergency Business Account Program ("CEBA Loan"), which provides financial relief for Canadian small businesses during the COVID-19 pandemic. On December 21, 2020 the Company received further \$20,000 as extension of this loan. The CEBA Loan has an initial term date on December 31, 2022 (the "Initial Term Date") and may be extended to December 31, 2025. The CEBA Loan is non-revolving, with an interest rate of 0% per annum prior to the Initial Term Date. Repaying the balance of the CEBA loan on or before December 31, 2022 will result in loan forgiveness of \$20,000 out of the total \$60,000 loan.

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Notes to the condensed interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, Expressed in Canadian Dollars)

The fair value of the loans as at March 31, 2022 and December 31, 2021 was \$58,126 and \$57,526, respectively, calculated using a 4.45% effective rate which corresponds to a rate that the Company would have obtained for a similar investment.

The Company recognized an accretion expense of \$600 and a \$Nil gain on discount of the government loan (2021: \$576 and \$Nil) in the condensed interim consolidated statements of loss and comprehensive loss for the three months ended March 31, 2022 and 2021, respectively.

12. Share Capital

Authorized

Unlimited common shares

	Note	Number of Shares	Amount
Balance as at January 1, 2020		72,534,747	\$ 1,543,663
Private placement (April 1, 2020)	a)	87,999	13,200
Private placement (April 15, 2020)	b)	4,786,700	718,005
Private placement (November 2, 2020)	c)	60,140	9,021
Share issuance cost			(42)
Balance as at December 31, 2020		77,469,586	\$ 2,283,847
Common shares acquired through RTO	d)	3,366,811	505,022
Stock options exercised	e)	100,000	10,000
Private placement on July 23, 2021	f)	50,000,000	1,899,900
Financial advisory service	g)	3,333,333	126,667
Debt settlement	h)	4,930,000	208,340
Private placement on July 30, 2021	i)	13,333,333	620,400
Share issuance cost	j)		(473,273)
Balance as at December 31, 2021 and March 31, 2022		152,533,063	\$ 5,180,903

- a) On April 1, 2020, the Company closed a private placement equity financing and issued 87,999 Common Shares of the Company, at a price of \$0.15 per share, with gross proceeds of \$13,200 raised.
- b) On April 15, 2020, the Company closed a private placement equity financing and issued 4,786,700 Common Shares of the Company, at a price of \$0.15 per share, with gross proceeds \$718,005 raised, \$42 in share issuance costs were incurred and recognized.
- c) On November 2, 2020, the Company completed a private placement financing for gross proceeds of \$9,021. In connection with the closing of the financing, the Company issued an aggregate of 60,140 common shares, at a price of \$0.15 per common share.
- d) On February 10, 2021, the Company closed a three-cornered amalgamation transaction and issued 3,366,817 common shares. (Note 5)
- e) On February 26, 2021, 100,000 stock options were exercised with an exercise price of \$0.10 per share, 100,000 common shares of the Company were issued with proceeds of \$10,000 received.
- f) On July 23, 2021 the Company closed a brokered private placement of units of the Company (the "Units") led by Research Capital Corporation as sole agent and sole bookrunner (the "Agent"), pursuant to which the Company issued 50,000,000 Units at a price of \$0.06 per Unit for aggregate gross proceeds of \$3,000,000. Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is

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exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.12 per Warrant Share for a period of 24 months from the date of issuance. The fair value of the Common Shares and the Warrants was estimated to be \$1,899,900 and \$1,100,100 specifically, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of \$0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

- g) In connection with the private placement, the Agent received an aggregate cash fee equal to \$229,329 and an aggregate of 3,822,154 non-transferable compensation warrants (the "Broker Warrants"), equal to 8% of the total number of Units sold by the Agent. Each Broker Warrants entitles the holder to purchase one Unit of the Company at an exercise price of \$0.06, equal to the offering price, for a period of 24 months following the closing of the private placement. The fair value of the Broker Warrants was estimated to be \$84,087, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of \$0.06; (v) forfeiture rate of 0; (vi) expected life of two years.

In addition, the Company has paid the Agent financial advisory fee satisfied by the issuance of 3,333,333, Common Shares and 3,333,333 warrants on July 23, 2021. Each Warrant is exercisable to acquire one Common Share at a price of \$0.12 per share for a period of 24 months from the date of issuance. The fair value of the Common Shares and the Warrants was estimated to be \$126,667 and \$73,333 specifically, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of \$0.12; (v) forfeiture rate of 0; (vi) expected life of two years. The non-cash \$200,000 corporate finance fee was recorded as share issuance cost of this private placement financing.

- h) On July 27, 2021, the Company settled aggregate indebtedness of \$265,800 under debt settlement agreements with six creditors by issuing an aggregate of 4,430,000 units of the Company ("Debt Units"), at a price of \$0.06 per Unit. Each Unit is comprised of one Common Share and one Warrant. Each Warrant is exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.12 per Common Share. The fair value of the Common Shares and the Warrants was estimated to be \$168,340 and \$97,460 specifically, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of \$0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

The Company also settled indebtedness of \$40,000 under a settlement agreement with one creditor by issuing 500,000 Common Shares at a price of \$0.08 per Common Share.

- i) On July 30, 2021 the Company closed a second private placement of units of the Company (the "Units"), pursuant to which the Company issued 13,333,333 Units at a price of \$0.075 per Unit aggregate gross proceeds of \$1,000,000 led by the Agent. Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.12 per Warrant Share for a period of 24 months from the date of issuance. The fair value of the Common Shares and the Warrants was estimated to be \$620,400 and \$379,600 specifically, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of \$0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

In connection with the private placement, the Agent received an aggregate cash fee of \$61,280 and an aggregate of 817,067 non-transferable compensation warrants (the "Broker Warrants"). Each Broker Warrants entitles the holder to purchase one Unit of the Company at an exercise price

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of \$0.075, equal to the offering price, for a period of 24 months following the closing of the private placement. The fair value of the Broker Warrants was estimated to be \$22,879, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of \$0.06; (v) forfeiture rate of 0; (vi) expected life of two years.

Apart from the direct cash compensation and Broker Warrants, the Company incurred \$158,228 share issuance cost that paid directly from the private placement proceeds.

All securities issued are subject to a hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

- j) Share issuance costs incurred in connection with the closing of the private placements on July 23, 2021 and July 30, 2021 are \$753,880 in total, out of which \$446,915 paid in cash and \$306,965 settled in issuance of Solvbl securities. Fair value of share issuance cost allocated to common shares and warrant as follows:

		Bifurcation between	
		Common shares	Warrants
Cash paid directly from proceeds	\$ 428,632	\$ 270,404	\$ 158,228
Cash paid separately for the financing	18,283	11,343	6,940
Fair value of broker units issuance	106,965	67,446	39,519
Agent advisory fee units issuance	200,000	124,080	75,920
Total share issuance costs	\$ 753,880	\$ 473,273	\$ 280,607

13. Warrants Reserve

	Note	Number of Warrants	Amount
Balance as at January 1, 2020		11,587,373	\$ 263,970
Warrants expiration	a)	(11,587,373)	(263,970)
Balance as at December 31, 2020		-	\$ -
Private placement on July 23, 2021	12 f)	50,000,000	1,100,100
Broker warrants on July 23, 2021	12 g)	3,822,154	84,087
Financial advisory service	12 g)	3,333,333	73,333
Debt settlement	12 h)	4,430,000	97,460
Private placement on July 30, 2021	12 i)	13,333,333	379,600
Broker warrants on July 30, 2021	12 i)	817,067	22,878
Shareholder services	b) & c)	1,000,000	22,000
Share issuance cost	12 j)		(280,607)
Balance as at December 31, 2021 and March 31, 2022		76,735,887	\$ 1,498,851

- a) 8,287,373 warrants expired without exercise on March 29, 2020. 1,050,000 warrants expired without exercise on May 28, 2020 and 2,250,000 warrants expired without exercise on June 21, 2020.

- b) The Company entered into a one (1) year marketing agreement with LDJ Consulting Inc. ("LDJ"), a Toronto, Ontario-based marketing consulting company beginning in July 2021 and ending in July

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2022, pursuant which, on July 27, 2021 the Company issued 500,000 common share purchase warrants ("Warrants") to LDJ at an exercise price of \$0.12 per Common Share exercisable for a period of 24 months from the date of issuance. The fair value of the Warrants was estimated to be \$11,000, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of \$0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

- c) The Company also entered into a one-year consulting agreement with an arm's length individual for business development services and agreed to issue 500,000 Warrants on July 27, 2027 at an exercise price of \$0.12 per Common Share exercisable for a period of 24 months from the date of issuance. The fair value of the Warrants was estimated to be \$11,000, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of \$0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

14. Stock Option Reserve

Stock option reserve:

The Company has an incentive stock options plan (the "Stock Option Plan") under which the directors of the Company were authorized to grant options up to 10% of the issued and outstanding Common Shares from time to time, to the Company's employees, directors and officers and persons providing ongoing services to the Company.

The Stock Option Plan allows for the option price at the time each option is granted to be not less than the closing marketed price of the Company's common shares on the day immediately preceding the day upon which the option is granted, less a maximum discount allowable under CSE policies. Options granted under the Stock Option Plan may be exercisable for a period up to ten years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the CSE.

As at March 31, 2022, the Company had outstanding stock options as follows:

Grant Date	Options Outstanding	Options Vested	Options Unvested	Exercise Price	Fair Value (per option)	Expiration Date	Total value
20-Oct-18	650,000	650,000	-	\$0.10	\$0.0789	20-Oct-26	\$ 51,285
1-Sep-19	700,000	700,000	-	\$0.10	\$0.0764	1-Sep-26	53,480
3-Sep-19	1,175,000	1,175,000	-	\$0.10	\$0.0766	3-Sep-26	90,005
25-Sep-19	1,540,000	1,540,000	-	\$0.10	\$0.0765	25-Sep-26	117,810
30-Sep-19	925,000	925,000	-	\$0.10	\$0.0767	30-Sep-26	70,948
4-May-20	746,666	746,666	-	\$0.15	\$0.1334	4-May-27	99,605
29-Nov-21	4,925,000	1,456,250	3,468,750	\$0.075	\$0.0518	29-Nov-26	255,115
	10,661,666	7,192,916	3,468,750				\$ 738,248

On May 4, 2020, the Company granted 746,666 stock options to its key management at an exercise price of \$0.15 per share and with an expiry period of two years from the date of the options were granted. The stock options vest pursuant to the agreement between the stock option holders and the Company.

On February 26, 2021, 100,000 stock options were exercised at an exercise price of \$0.10 per share, 100,000 common shares of the Company were issued with proceeds of \$10,000 received.

On August 9, 2021, the Company approved in its annual general and special shareholders meeting that to extend the expiry period of total 5,511,666 granted and outstanding stock options for further five years after initial expiry date. The fair value of the extension was estimated to be \$61,570, with

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reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 120%; (iii) risk-free rate of 0.41% - 2.47%; (iv) unit price of \$0.10-\$0.15; (v) forfeiture rate of 0; (vi) expected life of five years.

On November 29, 2021, the Company granted 4,925,000 stock options to its key management, staff and consultants at an exercise price of \$0.075 per share and with an expiry period of five years from the date of the options were granted. The stock options vest pursuant to the agreement between the stock option holders and the Company.

On February 12, 2022, 75,000 fully vested stock options granted to a former employee of the Company on September 30, 2019 was forfeited after three months grace period.

The summary of stock options granted up to March 31, 2022 is presented below:

	Number of options
Outstanding, unvested, January 1, 2021	346,666
Granted	4,925,000
Vested	(459,166)
Exercised	(100,000)
Forfeited	(287,500)
Outstanding, unvested, December 31, 2021	4,425,000
Vested	(956,250)
Outstanding, unvested, March 31, 2022	3,468,750

Range of Exercise Prices	<u>Options Outstanding</u>		<u>Options Exercisable</u>	
	Options Outstanding	Weighted Average Remaining Contractual Life	Options Exercisable	Weighted Average Exercise Price
\$0.075 - \$0.15	10,661,666	4.49	7,192,916	\$0.11

No stock options were granted to related parties in the three months ended March 31, 2022 and 2021.

On February 12, 2022, 75,000 fully vested stock options granted to a former employee of the Company on September 30, 2019 was forfeited after three months grace period. Recognized vested fair value of \$5,753 of the forfeited stock options has been reversed in the three months ended March 31, 2022.

15. Contributed Surplus

	Note	Balance
Balance, January 1, 2021		\$ 304,806
Stock option exercised		7,900
Balance, December 31, 2021 and March 31, 2022		\$ 312,706

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16. Government Subsidy

	Three months ended March 31,	
	2022	2021
Investment tax credit	\$ -	\$ 108,512
Ontario provincial and territorial credit	-	26,959
Canadian emergency wage subsidy	-	67,354
	<u>\$ -</u>	<u>\$ 202,825</u>

17. Related Party Transactions

For the three months ended March 31, 2022 and 2021, the Company incurred \$60,000 and \$74,000 in service fees, salaries to its key management and directors, respectively.

As at March 31, 2022 and December 31, 2021 and 2020, the amount due to related parties balances were \$2,900 and \$8,300, respectively. The amounts due to related parties are recorded at the exchange amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing, unsecured and with no fixed repayment terms.

In the three months ended March 31, 2022 and 2021, the Company recorded an amount of \$72,426 and \$5,217, respectively being the fair value of vested stock options granted to related parties.

18. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of these condensed interim consolidated financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

Financial instruments included in the condensed interim consolidated statement of the financial position as at March 31, 2022 consist of cash and cash equivalents, cash held in trust, Stowe One receivables, accounts payable and accrued liabilities and government loan with March 31, 2022 carrying amounts which approximates their respective fair values.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following types of risk: credit risk, foreign exchange risk, liquidity risk and cash flow risk.

(c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to the liquidity of its various cash and receivable balances.

(d) Foreign exchange risk

The Company is not exposed to any significant foreign exchange risk. The Company did not have any hedges or any other transactions related to foreign currency clearance at the time that these condensed interim consolidated financial statements were issued. In the opinion of

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management, the foreign exchange risk exposure to the Company is low.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity risk through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities.

The Company's cash flow is generated from debt financing or equity private placements.

The Company monitors cash on a regular basis and reviews expenses to ensure costs and commitments are being paid in a timely manner. Management has worked with and negotiated with vendors to ensure payment arrangements are satisfactory to all parties and that monthly cash commitments are managed within the Company's operating cash flow capabilities.

As at March 31, 2022, the Company had a cash and cash equivalents balance of \$739,282. The following table summarizes the gross amount and maturity periods of the Company's contractual obligations of financial instruments as of March 31, 2022:

	Within 1 year
Accounts payable and accrued liabilities	\$ 56,935
Government loan	58,126
	\$ 115,061

(f) Cash flow interest risk

Cash flow interest risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low.

19. Capital Management

The Company includes equity, comprised of common shares, warrant reserve, stock option reserve, contributed surplus and deficit, in the definition of capital. The Company's objectives when managing capital are as follows:

- (i) To safeguard the Company's assets and ensure the Company's ability to continue as a going concern; and
- (ii) To raise sufficient capital to achieve the ongoing business objectives including funding of future growth opportunities and meeting its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it, based on general economic conditions, the Company's short-term working capital requirements, and its planned capital requirements and strategic growth initiatives.

The Company's principal source of capital is from the issuance of common shares or special warrants. In order to achieve its objectives, the Company expects to spend its working capital, when applicable, and raise additional funds as required.

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The Company does not have any externally imposed capital requirements.

20. Subsequent events

There were no subsequent events requiring disclosure through to the date of these condensed interim consolidated financial statements.