

MIJEM NEWCOMM TECH INC.
(formerly Great Oak Enterprises Ltd.)

Annual Audited Consolidated Financial Statements

As at and for the years ended

December 31, 2021 and 2020

(Stated in \$CAD)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mijem Newcomm Tech Inc (formerly Great Oak Enterprises Ltd.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mijem Newcomm Tech Inc (formerly Great Oak Enterprises Ltd.) (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of \$178,578 during the year ended December 31, 2021. 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 10, 2022

MIJEM NEWCOMM TECH INC.
Statement of Consolidated Financial Position
(Stated in \$CAD)

Asat	Dec 31, 2021	Dec 31, 2020
ASSETS		
Current:		
Cash	\$ 3,289	\$ 57,962
Accounts receivable (Note 9)	19,119	3,183
Total current assets	22,408	61,145
Long term:		
Enviro Resources Limited LOI (Note 4)	1	1
	\$ 22,409	\$ 61,146
LIABILITIES		
Current:		
Accounts payable and accrued liabilities (Note 10)	\$ 60,878	\$ 11,831
Short Term Loans	4,515	-
	\$ 65,393	\$ 11,831
Non current:		
Government loan (Note 12)	-	30,000
	\$ 65,393	\$ 41,831
SHAREHOLDERS' DEFICIENCY		
Common shares (Note 5)	\$ 208,610	\$ 120,331
Share-based payments (Note 5)	17,850	-
Reserve for warrants (Note 5)	5,670	5,670
Contributed surplus (Note 5)	10,150	-
Accumulated deficit	(285,264)	(106,686)
	\$ (42,984)	\$ 19,315
	\$ 22,409	\$ 61,146

Going concern (Note 1)

Subsequent Events (Note 15)

The accompanying notes form an integral part of these Annual Audited Consolidated Financial Statements

Approved on behalf of the Board:

"Phuong Dinh" Director

MIJEM NEWCOMM TECH INC.
Consolidated Statement of Net Loss and
Comprehensive Loss

(Stated in \$CAD)

	Year Ended	
	Dec 31, 2021	Dec 31, 2020
Administrative expenses		
Management fees (Note 11)	\$ 37,500	\$ 16,500
Regulatory expenses	13,945	5,997
Professional fees (Note 11)	92,566	4,314
Office and general	6,567	23
Share based payments (Note 5 & 11)	28,000	-
Total administrative expenses	\$ 178,578	\$ 26,834
Other income (Note 12)	\$ -	\$ 10,000
Net loss and comprehensive loss	\$ (178,578)	\$ (16,834)
Basic and diluted loss per share		
(Note 6)	\$ (0.083)	\$ (0.009)

(i) *Adjusted for 1:2.8294 share consolidation effective Dec 23, 2021 (Note 5)*

The accompanying notes form an integral part of these Annual Audited Consolidated Financial Statements

MIJEM NEWCOMM TECH INC.
Consolidated Statement of Changes in Equity
(Stated in \$CAD)

	Note (i)	Number of Common Shares	Share Capital	Warrant reserve	Option Reserve	Contributed surplus	Accumulated deficit	Total
			\$	\$	\$	\$	\$	\$
As at December 31, 2019		1,773,845	124,951	1,050	-	-	(89,852)	36,149
Warrants extension	5.2(c)	-	(4,620)	4,620	-	-	-	-
Net loss loss for the period		-	-	-	-	-	(16,834)	(16,834)
As at December 31, 2020		1,773,845	120,331	5,670	-	-	(106,686)	19,315
Shares issued for cash	5.2(e)	706,859	100,000	-	-	-	-	100,000
Share-based payment		-	-	-	28,000	-	-	28,000
Expired options		-	-	-	(10,150)	10,150	-	-
Odd Lot Consolidation	5.2(c)	(39,080)	(11,721)	-	-	-	-	(11,721)
Net loss loss for the period		-	-	-	-	-	(178,578)	(178,578)
As at December 31, 2021		2,441,624	208,610	5,670	17,850	10,150	(285,264)	(42,984)

(i) *Adjusted for 1:2.8294 share consolidation effective Dec 23, 2021 (Note 5)*

The accompanying notes form an integral part of these Annual Audited Consolidated Financial Statements

MIJEM NEWCOMM TECH INC.

Consolidated Statement of Cash Flows (Stated in \$CAD)

	Year ended	
	Dec 31, 2021	Dec 31, 2020
Operating activities		
Net Loss for period	\$ (178,578)	\$ (16,834)
Adjustment to reconcile net loss to cash flow from operating activities:		
Share-based payments (Note 5)	28,000	-
Debt forgiveness (Note 12)	-	(10,000)
Change in non-cash working capital items		
Accounts receivable	(15,936)	2,237
Accounts payable and accrued liability	49,047	7,831
Cash used for operations	\$ (117,467)	\$ (16,766)
Financing activities		
Proceeds from private placement (Note 5)	\$ 100,000	\$ -
Short Term Loan	4,515	-
Consolidation of Shares (Note 5)	(11,721)	-
Government loan (Note 12)	(30,000)	40,000
Cash provided from financing activities	\$ 62,794	\$ 40,000
Decrease in cash	\$ (54,673)	\$ 23,234
Cash, beginning of the year	57,962	34,728
Cash, end of the year	\$ 3,289	\$ 57,962

The accompanying notes form an integral part of these Annual Audited Consolidated Financial Statements

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements Years ended December 31, 2021 and 2020 (Stated in \$CAD)

1. NATURE OF OPERATIONS AND GOING CONCERN

(a) Nature of operations

Mijem Newcomm Tech Inc. (the "Company" or "Mijem") was incorporated on December 27, 2017 under the Canada Business Corporations Act with its head office located at 401 Bay Street, Suite #2100, Toronto, Ontario, Canada, M5H 2Y4. The Company, as a reporting issuer in the provinces of British Columbia, Alberta and Manitoba, is subject to the rules and regulations of the relative provincial securities commissions, but its shares do not trade on any stock exchange.

The Company has no current active business operations and its principal purpose is the identification and evaluation of assets or businesses for the purpose of completing a transaction ("Qualifying Transaction") such that the Company's shares can be approved for listing and trading on a recognized Canadian stock exchange. Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. There is no assurance that the Company will be able to complete a Qualifying Transaction or that it will be able to secure the necessary financing to complete a Qualifying Transaction.

Under the terms of a Plan of Arrangement approved by the Ontario Superior Court of Justice on March 26, 2018, the Company acquired substantially all the rights and interests in a Letter of Intent ("LOI") between Telferscot Resources Inc. ("Telferscot") and Enviro Resources Limited ("ERL") (see note 4). As consideration for acquisition of this LOI, the Company issued 2,499,996 common shares to Telferscot, which were then distributed to the current shareholders of Telferscot pro-rata based on their relative shareholdings of Telferscot.

On June 8, 2021, the Company Incorporated a wholly owned subsidiary, 2845964 Ontario Inc., for the sole purpose of facilitating an amalgamation. 28458964 Ontario Inc. has 1 common share owned by the Company.

On June 9, 2021, the Company signed a Combination Agreement to allow the reverse takeover of Mijem inc. (note 15 subsequent events). A copy of the Prospectus related to this can be found on SEDAR.com

On December 23, 2021, the company filed articles of amendment to change the company name to Mijem Newcomm Tech Inc. and to add Class A, Class B and Class C share to the company to comply with the conditions of the reverse takeover.

(b) Going concern

The accompanying Annual Audited Consolidated Financial Statements ("Financial Statements") have been prepared using International Financial Reporting Standards applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. It would, in this situation, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying Financial Statements. Such adjustments could be material.

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

1. NATURE OF OPERATIONS AND GOING CONCERN, CONTINUED

As at December 31, 2021, the Company has no source of operating cash flow and had an accumulated deficit of \$285,264 (December 31, 2020 - \$106,686). Net comprehensive loss for the year ended December 31, 2021 was \$178,578 (2020 - \$16,834). The Company had a working capital deficit of \$42,985 as at December 31, 2020 (2020 – surplus \$49,314). These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern.

These Financial Statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern, namely its ability to generate sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period, is dependent upon its ability to arrange future financing, which is largely dependent upon prevailing capital market conditions, the completion of further anticipated private placements after the end of the reporting period, continued support of its shareholder base and completion of a Qualifying Transaction. These Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee.

The policies applied in these Financial Statements are based on the IFRS issued and outstanding as of March 10, 2022, being the date, the Board of Directors approved the Financial Statements.

(b) Basis of measurement

The Financial Statements have been prepared on a historical cost basis, with the exception of certain financial assets and liabilities which are measured at fair-value, as explained in the accounting policies.

(c) Functional and presentation currency

The Financial Statements are presented in Canadian dollars, which is also the functional currency of the corporate offices located in Canada.

(d) Cash

Cash consists of deposits held with banks.

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(e) Accounts receivable

Accounts receivable consist primarily of recoverable HST TTCs.

(f) Accounts payable and accrued liabilities

These amounts represent liabilities for goods and services provided to the Company prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period end. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(g) Share capital

Common and preferred shares issued in exchange for goods and services are recorded at an amount based on the fair market value of the common or preferred shares just prior to the date of issuance. Common shares issued in private placements, in conjunction with common share purchase warrants, are recorded whereby the fair value of warrants is determined using the Black-Scholes option pricing model and allocated to warrants while the proceeds of the private placement less the fair value of warrants and any issuance expenses are allocated to the common shares.

Preferred shares which are redeemable at the holder's option are presented as a current liability.

(h) Share-based payments

The fair value of any share-based payment granted to directors, officers, employees and consultants is recorded over the vesting period of the award as an expense or a component of property, plant and equipment based on the nature of the services for which it was awarded with a corresponding increase recorded to contributed surplus. Share-based payments for directors, officers and employees are valued at the grant date whereas consultants' share-based payments are valued as the goods and services are received from the recipient. If the fair value of the goods and services received cannot be estimated reliably the Black-Scholes pricing model is used. Fair value of stock options for directors, officers and employees is determined using the Black-Scholes option pricing model utilizing management's assumptions as described in note 6. Fair value of share-based payments for consultants is determined based on the fair value of the goods and services received and requires management to make estimates of the value of the goods and services received. Upon exercise of a share option, consideration paid by the share option together with the amount previously recognized in reserve for share-based payments is recorded as an increase to share capital. For those share-based payments that expire or are forfeited after vesting, the recorded value is transferred to deficit.

The Company's policy is to value warrant modifications, as relating to subscriber warrants originally issued as part of a financing transaction, and record an adjustment to the change in fair value as a result of revisions made to warrant terms with a correspondence reduction in common shares.

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(i) **Income taxes**

The Company follows the asset and liability method of accounting for income taxes. Income tax is recognized in profit or loss except to the extent it relates to items recognized in equity, in which case the income tax is also recognized in equity. Current tax assets and liabilities are recognized at the amount expected to be paid or received from tax authorities using rates enacted or substantively enacted at the date of the statement of financial position.

Deferred tax is accounted for using the liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases.

A deferred tax liability is recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred income tax asset is recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and losses can be utilized, except where the deferred income tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantively enacted at the statement of financial position date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(j) **Government grants and assistance**

Grants and subsidies are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Company will comply with all the attached conditions. Fair Value signifies the amount received in cash. The grants and subsidies are presented as 'other income' in operations.

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(k) Loss per share

Basic loss per share amounts are calculated by dividing net loss for the reporting period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted loss per share amounts are calculated by dividing the net earnings attributable to common shareholders by the weighted average number of shares outstanding during the reporting period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into common shares. Diluted loss per share amounts are not presented if anti-dilutive.

(l) Critical accounting estimates and judgements

The preparation of these Financial Statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Company's reported amounts of assets, liabilities, revenues and other items in net earnings, and the related disclosure of contingent assets and liabilities, if any. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and other items in net earnings that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statement are discussed below:

Going concern

The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its planned RTO and working capital requirements.

Use of estimates

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. Significant estimates include the valuation of common share purchase warrants and share options using the Black-Scholes pricing model conditions and the fair value of the common shares issued pursuant to the Plan of Arrangement (see note 4).

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(m) Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consist of cash and accounts receivable, which are classified and subsequently measured at amortized cost. The Company's financial liabilities consist of accounts payable and accrued liabilities and government loan which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

Fair value

The determination of the fair value of financial assets and liabilities, for which there is no observable market price, requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective as such it requires varying degrees of judgment. The use of judgment in valuing financial instruments includes assessing qualitative factors such on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the particular instrument.

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs derived either directly or indirectly from market prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted market prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Effective interest method

The effective interest method calculates the amortized cost of a financial instrument asset or liability and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset or liability, or where appropriate, a shorter period. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

3. RECENTLY ADOPTED and Issued ACCOUNTING PRONOUNCEMENTS

A number of new standards, amendments to standards and interpretations are not yet effective at December 31, 2021 and have not been applied in preparing these financial statements. Management has determined that none of these will have a significant effect on its financial statements of the Company.

4. ENVIRO RESOURCES LIMITED LETTER OF INTENT

Under the terms of a Plan of Arrangement approved by the Ontario Superior Court of Justice on March 26, 2018, the Company acquired substantially all the rights and interests in a Letter of Intent ("LOI") between Telferscot and ERL, and accordingly would assume the position of Telferscot with respect to the LOI. As consideration for its acquisition, the Company issued 2,499,996 common shares to Telferscot, which were then distributed to the current shareholders of Telferscot pro-rata based on their relative shareholdings of Telferscot (*see note 5(b)*). The LOI has been assigned a nominal value of \$1.

	December 31, 2021	December 31, 2020
Enviro Resources Limited LOI	\$ 1	1

Telferscot had previously signed with ERL to cooperate with ERL on the acquisition and development of environmentally beneficial consumer and commercial products. ERL has acquired and progressed and commercialized products in this sector over the past 5 years and is looking for a strategic partner to fund new opportunities. Following completion of the Plan of Arrangement, the Company will acquire the right of first refusal to fund ERL products and acquisitions.

MIJEM NEWCOMM TECH INC.

Notes to Annual Audited Consolidated Financial Statements

Years ended December 31, 2021 and 2020

(Stated in \$CAD)

5. SHARE CAPITAL

1) Authorized

The Company is authorized to issue an unlimited number of common shares, an unlimited number of Classes 'A', 'B' and 'C' common shares, and an unlimited number of first preferred shares issuable in series by the directors. The common shares are without nominal or par value and may carry rights, privileges, priorities, limitations, conditions, and restrictions according to the class their issued at including receiving dividends and voting rights.

The Class 'A' common shares have all rights and privileges of common shares with the exception that Class 'A' shares cannot be traded on any public exchange and will automatically revert to Common Shares 4 months after the completion of an anticipated Reverse Take Over (RTO). The RTO took place on January 6, 2022. (see Note 15) These shares will revert to Common trading shares on May 6, 2022.

The Class 'B' common shares have all rights and privileges of common shares with the exception that Class 'B' shares cannot be traded on any public exchange and will automatically revert to Common Shares 8 months after the completion of an anticipated Reverse Take Over (RTO). The RTO took place on January 6, 2022. (see Note 15) These shares will revert to Common trading shares on September 6, 2022.

The Class 'C' common shares have all rights and privileges of common shares with the exception that Class 'C' shares cannot be traded on any public exchange and will automatically revert to Common Shares 12 months after the completion of an anticipated Reverse Take Over (RTO). The RTO took place on January 6, 2022. (see Note 15) These shares will revert to Common trading shares on January 6, 2023.

The First Preferred Shares shall be entitled to preference over the common shares of the Company and over any other shares of the Company ranking junior to the First Preferred Shares with respect to payment of dividends and return of capital and in the distribution of assets in the event of liquidation, dissolution, or wind-up of the Company.

2) Issued and outstanding

Continuity schedules for the Company's share capital and other equity instruments are disclosed in the statements of changes in shareholders' equity for the period from December 31, 2019 to December 31, 2021. The equity transactions in this period are detailed below:

On June 23, 2021, the company closed a non-brokered private placement offering of 2,000,000 (706,859 shares post consolidation) common shares of the Company priced at \$0.05 per share for aggregate gross proceeds of \$100,000.

On December 20, 2021 the company authorized the consolidation of the company shares on the basis of 1/400 of a share for each issued and outstanding common share. The company further provided that the holders of less than 1 common share after the consolidation would not be entitled to a fractional share but would receive a cash payment of \$0.106, being the market value attributed to the share based on an expected RTO share price of 0.30 divided by the consolidation ratio of 2.8294, for each pre consolidation share which would result in the fractional share. This transaction removed 110,572 pre consolidation shares at a value of \$11,721.

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5. SHARE CAPITAL, CONTINUED

On December 22, 2021 and subsequent to the authorized consolidation, and providing for the settlement of the fractional shares, the company authorized a subdivision of the company shares by changing each of the issued and outstanding Common Shares into 400 Common Shares. This created 6,909,424 shares issued and outstanding.

On December 23, 2021 the company authorized the consolidation of the Company's common shares on the basis of 1 post post-Consolidation Common Share for up to every 2.8294 Common Shares currently issued and outstanding. The resulting Consolidation created 2,442,010 shares issued and outstanding.

On December 30, 2021 the company authorized the restructuring of the common shares on the basis of one (1) New Common Share, three (3) Class A Shares, three (3) Class B Shares and three (3) Class C Shares for each ten (10) post-Second Consolidation Common Shares.

3) Warrants

A summary of warrant activity is as follows:

	No. of warrants	Weighted average
		\$
Balance, January 1, 2020	742,207	0.141
Issued	-	-
Balance, December 31, 2020	742,207	0.141
Expired	-	-
Balance, December 31, 2021	742,207	0.141

The outstanding issued warrants balance at December 31, 2021, is comprised of the following:

Date of expiry	Type	Number	Weighted average exercise price	Weighted average years remaining	Fair value
			\$	Years	\$
April 18, 2022	Warrant	742,207	0.141	0.33	5,670
		742,207	0.141	0.33	5,670

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5. SHARE CAPITAL, CONTINUED

The fair value of warrants was estimated on the date of issuance using the Black-Scholes model:

Warrants issued/ extended on	April 19, 2019	April 19, 2020
	(Extension)	
Number of warrants issued	742,207	742,207
Weighted average information:		
Stock price	\$ 0.141	\$ 0.141
Exercise price	\$ 0.141	\$ 0.141
Expected life (years)	1.0	2.0
Expected volatility	150%	150%
Discount rate	3.50%	3.50%
Expected dividends	Nil	Nil
Fair value	\$ 1,050	\$ 4,620

4) Share-based payments

The Company has a stock option plan pursuant to which options to purchase common shares may be granted to executive officers, directors, employees, and consultants. The plan allows for the issuance of up to 10% of the issued and outstanding common shares. As at December 31, 2021, the Company has not issued any options under the stock option plan and accordingly had 244,162 options available for issuance.

Additionally, the Company issued 176,716 options to contractors outside the Company's stock option plan noted above. The options carry an exercise price of \$0.141 per share for a period of up to 36 months from the issuance date of July 5, 2018. The options shall be subject to a vesting period where of 50% of the options will vest on or after July 15, 2018, and the remaining 50% will 6 months after the first vesting date. Both vesting provisions are subject to the completion of a binding or definitive agreement for an acquisition or transaction that will qualify the Company to seek a public listing on a recognized exchange. The fair value of the options was estimated on the date of grant using the Black-Scholes model at \$20,300, 50% of this value was recognized as an expense on July 1, 2021, when the condition for 50% vesting was met.

On July 2, 2021, the Company extended these options at the same price for an additional period of two years. The fair value of unvested portion was recalculated using the Black-Scholes model at \$17,850 and recognized as an expense.

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Notes to Annual Audited Consolidated Financial Statements Years ended December 31, 2021 and 2020 (Stated in \$CAD)

5. SHARE CAPITAL, CONTINUED

A continuity of the outstanding options to purchase common shares is as follows:

	Weighted average exercise price	Number of options
	\$	
Outstanding at December 31, 2019	0.141	176,716
Transactions during the period:		
Granted	-	-
Expired	-	-
Forfeited	-	-
Outstanding at December 31, 2020	0.141	176,716
Transactions during the period:		
Granted	-	-
Expired	-	-
Forfeited	-	-
Outstanding at December 31, 2021	0.14	176,716

The following table provides additional information about outstanding stock options as at December 31, 2021:

Expiry date	Number exercisable	Number outstanding	Weighted average exercise price	Weighted average years remaining	Fair value
			\$		\$
July 5, 2023	-	176,716	0.141	1.58	17,850
	-	176,716	0.141	1.58	17,850

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5 SHARE CAPITAL, CONTINUED

The fair value of stock options was estimated on the date of grant using the Black-Scholes model. The following assumptions were used:

	Options issued in 2018	Options extended in 2021
	\$	\$
Number of options issued	176,716	176,716
Weighted average information:		
Stock price	\$ 0.141	\$ 0.141
Exercise price	\$ 0.141	\$ 0.141
Expected life (years)	3	2
Expected volatility	150%	150%
Discount rate	2.13%	1.00%
Vesting	0%	0%
Expected dividends	Nil	Nil
Fair value (total)	\$ 20,300	\$ 17,850
Recognised this period	\$ 10,150	\$ 17,850

The Company extended the options for an additional 2 year period on July 2, 2021.

6. LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	Year ended	
	Dec 31, 2021	Dec 31, 2020
Numerator:		
Loss for the period	\$ 178,578	16,834
Denominator:		
Weighted average number of common shares	2,144,169	1,774,226
Basic and diluted loss per share	\$ 0.083	0.009

As at December 31, 2021, the following potentially dilutive equity instruments were outstanding: (1) 742,207 warrants (2020 – 742,207) and (2) 176,716 stock options (2020 – 176,716). The outstanding convertible securities were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

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7. FINANCIAL RISK FACTORS

The Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. These amounts are recognized initially at fair value and subsequently measured at amortized cost. The fair value of these amounts approximates their carrying value due to their demand or short-term nature.

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

a. Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable, which consists of refundable HST ITCs. As at December 31, 2021, cash of \$3,289 (December 31, 2020 - \$57,962) was held with reputable financial institutions from which management believes the risk of loss to be minimal.

b. Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost (*see note 1*). The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2021, the Company had working capital deficit of \$42,985 (December 31, 2020 surplus of - \$49,314). All the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms.

MIJEM NEWCOMM TECH INC.

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Years ended December 31, 2021 and 2020

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8. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to maintain head office corporate and administrative functions. The Company considers its capital to be its shareholders' equity. The Company manages its capital structure in an effort to provide sufficient funding for its development projects. Funds are primarily secured through equity capital raised by way of private placements and exercise of warrants and/or stock options.

There can be no assurances that the Company will be able to continue raising equity capital in this manner. The Company's Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

9. ACCOUNTS RECEIVABLE

The Company's accounts receivable consist of harmonized services tax ("HST") recoverable from the Canadian government taxation authorities. At December 31, 2021 HST amounted to \$19,119 (December 31, 2020 - \$3,183).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to operating and financing activities, and an accrued liability of \$2,730 for shareholders as a result of the consolidation of shares.

The following is an analysis of the trade payables and accrued liabilities balances as at December 31, 2021 and December 31, 2020:

	December 31, 2021	December 31, 2020
Professional fees	50,487	-
Regulatory expenses	2,011	7,831
Accrued liability	8,380	4,000
Accounts payable and accrued liabilities	\$ 60,878	11,831

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11. RELATED PARTY TRANSACTIONS

The Company is billed a monthly fee of \$2,250 (plus applicable HST) for the four months January to April of 2021, and \$2,000 for the eight-month period May to December 2021, by a company controlled by a director, for management and administrative services, including the corporate secretary, the services of the CFO, office rent and regular administrative functions. During the year ended December 31, 2021, the Company incurred total fees of \$37,500 (2020 - \$16,500).

The Company was billed a monthly fee of \$7,500 (plus applicable HST) for the 6 months May to October by a company controlled by a director, for listing management and financial consulting services, the company incurred total fees of \$45,000 (2020 - \$ nil).

Additionally, on July 5, 2018, the Company issued an aggregate of 500,000 stock options to the same company as part of their compensation. The options are exercisable at \$0.05 each for a period of up to 3 years from the date of issuance and are vested in two tranches during the first 12 months under certain conditions (see note 6). The total fair value of the options was estimated to be \$20,300 but none of the options has vested as at December 31, 2020 and thus the fair value has not been recognized as an expense. On July 2, 2021, the Company extended these options at the same price for an additional period of two years.

As at December 31, 2021 accrued liabilities in respect of management fees and reimbursable regulatory expenses due to related parties amounted to \$8,778. (2020 - \$6,384).

12. CANADA EMERGENCY BUSINESS ACCOUNT

During September 2020, the Company received a loan of \$40,000 as part of the Canada Emergency Business Account (“CEBA”) extended by the Government. The loan is interest free until December 31, 2022 and \$10,000 (or 25%) of the \$40,000 loan is eligible for complete forgiveness if the \$30,000 is fully repaid on or before December 31, 2022. During the year ended December 31, 2020, the Company recognized ‘other income’ in operations of \$10,000 associated with this loan. The loan was repaid in the amount of \$30,000 ahead of the deadline on September 13, 2021.

13. COVID-19

Since January, 2020, the outbreak of the novel strain of coronavirus, specifically identified as ‘COVID-19’, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future period.

In April 2020, Grove Corporate Services agreed to waive all management and accounting fees for a maximum of six months.

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14. INCOME TAXES

Income tax expense

The following table reconciles the amount of reported income taxes in the statement of comprehensive loss with income taxes calculated at statutory income tax rates of 26.5% (2020 - 26.50%). The statutory income tax rate is the combined Canadian rates applicable in the jurisdictions in which the Company does business. The tax rate for deferred income taxes is 26.5%.

	December 31, 2021	December 31, 2020
	\$	\$
Loss before income taxes	(178,578)	(16,834)
Applicable tax rates	26.5%	26.5%
Expected tax recovery computed at applicable tax rates	(47,323)	(4,461)
Permanent Differences	7,420	-
Change in deferred tax asset not recognized	39,903	4,461
Income tax expense (recovery)	-	-

Deferred income taxes

The primary differences that give rise to the deferred income tax balances December 31, 2021 and December 31, 2020 are as follows:

	December 31, 2021	December 31, 2020
	\$	\$
Non-capital loss carry forwards	68,175	28,261
Less: valuation allowance	(68,175)	(28,261)
Total unrecognized deferred tax assets	-	-

At December 31, 2021, the Company had recorded a 100% valuation allowance against its deferred income balances due to the uncertainty surrounding their realization.

Tax loss carry forward balances

At December 31, 2021, the Company has non-capital losses, available to offset future taxable income for income tax purposes, of \$257,000 which expire between 2038 and 2041.

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15. **SUBSEQUENT EVENTS**

On January 1, 2022, the remaining 250,000 unvested options became vested.

On January 6, 2022 the Company signed an Amalgamation agreement which allowed for the reverse take-over transaction (the “Transaction”) acquiring controlling interest in Mijem Inc.

On January 6, 2022 the Transaction resulted in a change of the Board of Directors and Officers.

On January 10, 2021 the stock started trading on the Canadian Securities Exchange (CSE) under the symbol **MJEM**.