

Mijem Newcomm Tech Inc.

**Interim Condensed Consolidated Financial Statements
For the three months ended October 31, 2022 and 2021
(unaudited)**

To our Shareholders

The accompanying unaudited interim condensed consolidated financial statements of Mijem Newcomm Tech Inc. ("MNTI") have been prepared by and are the responsibility of MNTI management in accordance with International Accounting Standards ("IAS") 34, *Interim Financing Reporting* as issued by the International Accounting Standards Board. These unaudited interim condensed consolidated financial statements do not include all the information and notes required by International Financial Reporting Standards ("IFRS") for annual financial statements and should be read in conjunction with Mijem Newcomm Tech Inc.'s annual financial statements and notes for July 31, 2022.

Mijem Newcomm Tech Inc.

Interim Condensed Consolidated Statements of Financial Position

As At October 31, 2022 and July 31, 2022

Expressed in Canadian Dollars

(Unaudited)

As at	Note	October 31, 2022	July 31, 2022
		\$	\$
ASSETS			
Current:			
Cash		61,189	429,883
Short-term investment		33,000	33,000
Accounts Receivable		424	-
Government remittances recoverable		126,414	96,482
Prepaid expenses		61,397	77,332
		282,424	636,697
Non-Current			
Equipment	7	823	998
Intangible assets	8	41,533	43,936
		42,356	44,934
TOTAL ASSETS		324,780	681,631
LIABILITIES			
Current:			
Accounts payable and accrued liabilities	9	220,506	163,007
		220,506	163,007
TOTAL LIABILITES		220,506	163,007
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital		6,271,777	6,271,777
Warrants reserve		117,874	117,874
Options reserve		365,731	377,746
Contributed surplus		538,714	501,333
Deficit		(7,189,822)	(6,750,106)
TOTAL SHAREHOLDERS' EQYITY (DEFICIENCY)		104,274	518,624
		324,780	681,631

These interim condensed consolidated financial statements were approved for issue on December 7, 2022 by the board of directors and signed on its behalf by:

"Phuong Dinh"

Director

"Alex Pekurar"

Director

Mijem Newcomm Tech Inc.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss For the Three Months Ended October 31, 2022 and 2021

Expressed in Canadian Dollars
(Unaudited)

	Note	Three Months 2022	2021
REVENUE		-	-
EXPENSES			
Advertising and promotion		85,820	82,988
Corporate management		80,654	57,475
Salaries		77,268	53,211
Research and development		95,287	88,229
Share based compensation	10	25,366	8,279
Interest		-	13,009
Professional fees		22,880	30,616
Regulatory fees		8,374	9,515
Communication		7,175	1,833
Amortization of intangible assets	8	1,991	1,991
Office and sundry expense		1,575	1,941
Bank charges		857	257
Insurance		32,645	2,043
Rent		150	1,514
Depreciation of Equipment	7	132	324
TOTAL EXPENSES		440,174	353,225
LOSS BEFORE THE FOLLOWING ITEMS		(440,174)	(353,225)
Interest income		1,410	110
Gain on sales of assets		29	-
Revaluation of cryptocurrency		(412)	1,079
Government assistance		-	-
Foreign currency translation loss		(569)	-
Change in fair value of derivative liability		-	91,633
Accretion expense		-	(22,699)
NET LOSS AND COMPREHENSIVE LOSS		(439,716)	(283,102)
Basic and diluted loss per share		(0.0158)	(0.0250)
Weighted average number of basic common shares outstanding		27,787,636	11,333,989

Mijem Newcomm Tech Inc.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the Three Months Ended October 31, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited)

	Note	Number of shares	Share capital	Warrant reserve	Option reserve	Contributed surplus	Deficit	Total
			\$	\$	\$	\$	\$	\$
As at July 31, 2021		11,333,989	2,769,487	416,314	76,828	29,615	(3,973,951)	(681,707)
Exercise of warrants		295,168	25,067	(24,984)				83
Redemption of shares		(354,203)	(65,000)					(65,000)
Share based compensation					8,279			8,279
Expiry of warrants				(39,526)		39,526		-
Net loss and comprehensive loss for the period							(283,102)	(283,102)
As at October 31, 2021		11,274,954	2,729,554	351,804	85,107	69,141	(4,257,053)	(1,021,447)
As at July 31, 2022		27,787,636	6,271,777	117,874	377,746	501,333	(6,750,106)	518,624
Share based compensation					25,366			25,366
Expiry of options					(37,381)	37,381		-
Net loss and comprehensive loss for the period							(439,716)	(439,716)
As at October 31, 2023		27,787,636	6,271,777	117,874	365,731	538,714	(7,189,822)	104,274

Mijem Newcomm Tech Inc.

Interim Condensed Consolidated Statements of Cash Flows For the Three Months Ended October 31, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited)

	Note	Three Months 2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net loss and comprehensive loss		(439,716)	(283,101)
Items not affecting cash			
from operating activities:			
Share based compensation		25,366	8,279
Accretion expense		-	22,699
Depreciation of equipment		132	325
Gain on disposal of equipment		(29)	-
Proceeds from the sale of equipment		72	-
Amortization of intangible assets		1,991	1,991
Revaluation of cryptocurrency		412	(4,119)
Government assistance		-	(12,575)
Change in fair value of derivative liability		-	(91,634)
		(411,772)	(358,135)
Net changes in non-cash working capital:			
Government remittances recoverable		(29,932)	(11,623)
Accounts receivable		(424)	-
Prepaid expenses		15,935	(123,755)
Accounts payable and accrued liabilities		57,499	331,591
Cash flows for operating activities		(368,694)	(161,922)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on the exercise of warrants		-	83
Expired Warrants		-	(1)
Repayments of long-term loans		-	(16,088)
Redemption for Cash		-	(65,000)
Cash flows from financing activities		-	(81,006)
NET DECREASE IN CASH FOR THE PERIOD		(368,694)	(242,928)
CASH, BEGINNING OF THE PERIOD		429,883	363,447
CASH, END OF THE PERIOD		61,189	120,519

Mijem Newcomm Tech Inc.

Notes to the Interim Condensed Consolidated Financial Statements

October 31, 2022 and 2021

(Expressed in Canadian Dollars, except per share amounts)

(Unaudited)

1. Nature of Operations and Going Concern

Mijem Newcomm Tech Inc. ("MNTI") (together with its subsidiary, the "Company") is a company incorporated under the Canada Business Corporations Act and domiciled in the Province of Ontario. The address of the Company's registered office is 50 Carroll St., Toronto, Ontario M4M 3G3. The Company's primary business is the development and monetization of online and mobile applications.

These interim condensed financial statements have been prepared in accordance with accounting principles that apply to a going concern. This presupposes that the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has an accumulated deficit of \$7,189,822 at October 31, 2022 (July 31, 2022 - \$6,750,106), incurred a net loss of \$439,716 for the three months ended October 31, 2022 (October 31, 2021- \$283,102) and negative cash flows from operations of \$368,694 for the three months ended October 31, 2022 (October 31, 2021 - \$161,922).

The Company's continuation as a going concern is dependent upon successful results from the development and monetization of the Company's online and mobile applications and its ability to attain profitable operations and/or raise capital sufficient to meet current and future obligations, all of which are uncertain. These material uncertainties cast doubt about the ability of the Company to Continue as a going concern. Management intends to finance operating costs over the next twelve months with a combination of earned revenue and the issuance of debt and/or common shares.

The carrying amount of assets, liabilities, revenue, and expenses presented in these financial statements have not been adjusted as would be required if the going concern assumption was not appropriate.

2. Basis of Preparation

(a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The policies in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of December 07, 2022, the date these interim condensed consolidated financial statements were authorized and issued by the board of directors.

(b) Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company, and its wholly owned subsidiary Mijem Inc. Mijem Inc. is domiciled in the Province of Ontario.

All intercompany transactions and balances between and among the Company and its subsidiary have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiary and associates to bring their accounting policies into line with those used by the Company.

Subsidiaries are entities controlled by the Company. The financial statements of the subsidiary are included in the interim condensed consolidated financial statements from the date that control commences until the date that control ceases. The Company controls an entity if it has power to direct the activities of the entity that significantly affects its returns ("the relevant activities"), has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the Company and its subsidiary are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(c) COVID-19

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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 periods.

(d) Basis of measurement

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

(e) Functional and presentation currency

The interim condensed consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

3. Summary of Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents include all cash and all highly liquid investments with original maturities of three months or less.

(b) Equipment

Equipment is stated as cost less accumulated depreciation. Equipment is depreciated over their estimated useful life at the following annual rates:

Furniture and fixtures	20%
Computer equipment	55%

Equipment is depreciated from the date the asset is available for use as intended until the date of disposition.

Property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of loss and comprehensive loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date, and adjusted prospectively if appropriate.

(c) Intangible assets

Intangible assets include cryptocurrency, expenditures related to obtaining patents and technology rights associated with patents and trademarks.

Patents and technology rights

The amortization of patent costs commences when the associated products are available for commercial sale and is amortized on a straight line basis over its respective legal lives or economic life, if shorter. Patents have an estimated useful life of 17 years. Trademarks are considered to have finite useful lives of ten years and, as such, are recorded at cost less accumulated amortization. The amortization of trademarks is on a straight-line basis over ten years. Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate. Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in operations as incurred.

Development activities involve a plan or design for the production of new, or substantially improved, products or processes related to the Company's technology platforms. Development expenditures are capitalized only if the relevant IFRS criteria are met. Capitalized development expenditures are amortized from the beginning of commercial production and sales and

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are amortized on a straight-line basis over the remaining useful life of the related patent(s). Development expenditures, in relation to the Company's website and app platforms, have not satisfied the above criteria and are recognized in operations as incurred.

Cryptocurrency

Cryptocurrency meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. They are initially recorded at their fair value at their acquisition date and the revaluation method is used to measure the cryptocurrency subsequently. The Company revalues its cryptocurrency at the end of each of its reporting periods and at its annual financial reporting date. Increases in fair value are recorded in other comprehensive income as revaluation surplus, while decreases are recorded in other comprehensive income to the extent of any credit balance in revaluation surplus in respect of cryptocurrency, with any remaining decrease being recorded in profit or loss.

There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss.

The Company's only cryptocurrency is Bitcoin Satoshi Vision ("Bitcoin SV"). Management considers the fair value to be a level two input in the fair value hierarchy under IFRS 13 *Fair Value Measurement* as the price on this source represents an average of quoted prices on multiple cryptocurrency exchanges.

(d) Impairment of long-lived assets

As of the end of each reporting period, the Company reviews the carrying amounts of its equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Long-lived assets with indefinite useful life, or those not yet available for use, are tested for impairment annually. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

(e) Financial instruments

Classification

The Company determines the classification of financial instruments at initial recognition and classifies its financial instruments in the following measurement categories:

- Those to be measured subsequently at fair value (either through profit or loss ("FVTPL") or through other comprehensive income ("FVOCI");
- Those to be measured at amortized cost.

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

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Financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Measurement

Financial instruments at amortized cost

Financial instruments at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Currently, the Company classifies subscription receipts – held in trust as financial assets at amortized cost and accounts payable and accrued liabilities, long-term loans, promissory notes and subscription receipts liability as financial liabilities at amortized cost.

Financial instruments at FVTPL

Financial instruments are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Financial instruments at FVTPL are subsequently measured at fair value, with gains and loss on disposition and unrealized gains and loss from changes in fair value are recognized in the consolidated statement of loss and comprehensive loss. The effective portion of gains and losses on financial instruments designed as hedges is included in the statements of comprehensive loss in the period in which it arises. When management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Currently, the Company classifies cash, short-term investments and derivative liability as FVTPL.

Financial instruments at FVOCI

Currently, the Company does not have any instruments classified as FVOCI.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

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In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical rest of interest

Reclassifications

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) cumulative gain or loss that had been recognized in other comprehensive income ("OCI") is recognized in profit or loss.

Financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

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Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any observable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolio of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustment – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Impairment

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

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Recognition of allowance of expected credit losses ("ECL") in the statement of financial position

The Company recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Company's applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost or FVOCI, the Company recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management purposes, the company considers a financial asset not recoverable if the customer balance owing is 120 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write off policy

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(f) Revenue

Consulting fees are recognized over the period that the performance obligation is delivered.

(g) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss), in which case it is recognized in equity or other comprehensive income (loss).

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for changes to tax payable with regards to previous periods.

Deferred tax is recognized using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary difference do not result in deferred tax assets or liabilities: the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; difference relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statements of financial position date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and 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.

(h) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(i) Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of tax, from the proceeds.

(j) Warrants

The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in warrant reserve. Unit proceeds are allocated to common shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. For any warrants that do not vest upon issuance, a forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. Upon expiration of warrants, the amount applicable to expired warrants is moved to contributed surplus.

(k) Share-based compensation

Under the Company's stock option plan, all stock options granted have graded vesting periods and are exercisable up to a maximum of 10 years from the date of grant. Each tranche of an award with graded vesting periods is considered a separate grant at each grant date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk-free rate and estimated forfeitures. The value of the options granted is recognized over the vesting period in share-based compensation expense in the statement of loss and comprehensive loss, and in options reserve. Upon exercise, shares are issued from treasury and the amount reflected in options reserve is credited to share capital, along with any consideration paid. Upon expiration of options, the amount applicable to expired options is moved from options reserve to contributed surplus.

If a grant of the share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized for services over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On vesting date, the Company revises the estimate to equal the number of equity instruments that ultimately vested. After vesting date, the Company makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited or they expire at the end of the share options' life.

If a grant of the share-based payment is modified during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) and the fair value of the new instruments is higher than the fair value of the original instrument, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments vests, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period of the original instrument.

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(l) Government grants

Government grant funds are recognized in the statement of loss and comprehensive loss when there is reasonable assurance that the Company has complied with the conditions attached to them and that the grant funds will be received. When the grant relates to an expense item, it is recognized as a recovery of the expense item over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognized as income over the useful life of a depreciable asset by way of a reduce depreciation charge. Government grants in the form of forgivable or low interest loans are recognized in income as the difference between the amount received and the present value of anticipated future payments under the loan.

(m) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle, a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount receivable can be measured reliably.

(n) Foreign currency translation

The functional currency of the Company is the currency of the primary economic environment in which the Company operates. The interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated in Canadian dollars at the period end exchange rate, while non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Currency gains and losses arising on translation are included in the consolidated statement of loss and comprehensive loss.

(o) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit period, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of diluted stock options and warrants are used to repurchase common shares at the average price during the period.

4. New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at October 31, 2022 and have not been applied in preparing these interim condensed consolidated financial statements. Management has determined that none of these will have a significant effect on its interim condensed consolidated financial statements of the Company.

5. Critical Accounting Estimates and Judgments

The preparation of these interim condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the interim condensed consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim condensed consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate

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is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements include going concern (note 1), estimated useful lives of equipment (note 8), and intangible assets (note 9), fair value of share-based payments (note 12) and fair value of financial instruments (note 18).

Ability to continue as a going concern

In order to assess whether it is appropriate for the Company to continue as a going concern, management is required to apply judgment and make estimates with respect to future cash flow projections.

In arriving at this judgment, there were a number of assumptions and estimates involved in calculating these future cash flow projections. This includes making estimates regarding the timing and amounts of future expenditures and the ability and timing of raising additional financing.

Estimated useful lives, impairment considerations and amortization of equipment and intangible assets

Amortization of equipment and intangible assets is dependent upon estimates of useful lives based on management's judgment.

Impairment of finite long-lived assets is influenced by judgment in defining a CGU and determining the indicators of impairment, and estimates used to measure impairment losses.

Intangible assets valuation

The Company's intangible assets valuation requires management to use judgment in estimating the fair value of its patents. The fair value of patents is estimated on the basis of costs incurred.

Share based payments

The fair value of share-based compensation expenses are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options or warrants granted.

6. Government Assistance

The Company recognized \$nil in the three months ended October 31, 2022 (\$20,818 in 2021) in connection with the Northern Ontario Heritage Fund Corporation Grant ("NOHFC Grant") which is recorded in the consolidated statement of loss and comprehensive loss as a reduction of advertising and promotion and research and development expenses.

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7. Equipment

	Furniture and Equipment	Computer Equipment	Total Equipment
	\$	\$	\$
Cost			
Balance, July 31, 2021	1,384	9,006	10,390
Additions	-	-	-
Disposal	-	-	-
Balance, October 31, 2021	1,384	9,006	10,390
Accumulated Depreciation			
Balance, July 31, 2021	869	6,648	7,517
Change for the period	83	300	383
Disposals	26	-	26
Balance, October 31, 2021	978	6,948	7,926
Net book value			
Balance October 31, 2021	406	2,058	2,464
Cost			
Balance, July 31, 2022	-	7,243	7,243
Additions	-	-	-
Disposal	-	(647)	(647)
Balance, October 31, 2022	-	6,596	6,596
Accumulated Depreciation			
Balance, July 31, 2022	-	6,245	6,245
Change for the period	-	132	132
Disposals	-	(604)	(604)
Balance, October 31, 2022	-	5,773	5,773
Net book value			
Balance October 31, 2022	-	823	823

The Company has identified certain items previously included in computer equipment that are no longer in use by the Company. As such this retirement of assets has resulted in a gain of \$29, which is included in condensed interim consolidated statement of loss and comprehensive loss as gain on sale of equipment.

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8. Intangible assets

	Patents	Trademarks	Crypto currency	Total Intangible
	\$	\$	\$	\$
Cost				
Balance, July 31, 2021	30,887	39,901	10,000	80,788
Additions	3,040	-	-	3,040
Disposals	-	-	-	0
Balance, October 31, 2021	<u>33,927</u>	<u>39,901</u>	<u>10,000</u>	<u>83,828</u>
Accumulated amortization				
Balance, July 31, 2021	-	27,122	3,863	30,985
Change for the year	-	1,991	-	1,991
Loss (Gain) on revaluation	-	-	(1,079)	(1,079)
Balance, October 31, 2021	<u>-</u>	<u>29,113</u>	<u>2,784</u>	<u>31,897</u>
Net book value				
Balance October 31, 2021	<u>33,927</u>	<u>10,788</u>	<u>7,216</u>	<u>51,931</u>
Cost				
Balance, July 31, 2022	34,179	39,901	10,000	84,080
Additions	-	-	-	0
Disposals	-	-	-	0
Balance, October 31, 2022	<u>34,179</u>	<u>39,901</u>	<u>10,000</u>	<u>84,080</u>
Accumulated amortization				
Balance, July 31, 2022	-	31,112	9,032	40,144
Change for the year	-	1,991	-	1,991
Loss (Gain) on revaluation	-	-	412	412
Balance, October 31, 2022	<u>-</u>	<u>33,103</u>	<u>9,444</u>	<u>42,547</u>
Net book value				
Balance October 31, 2022	<u>34,179</u>	<u>6,798</u>	<u>556</u>	<u>41,533</u>

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	October 31, 2022	July 31, 2022
	\$	\$
Audit fees	66,380	54,500
Research and development	56,462	55,304
Corporate management	45,453	23,704
Advertising and promotion	35,711	21,313
Other	9,053	5,566
Legal fees	4,475	1,397
Regulatory fees	2,971	1,223
Accounts payable and accrued liabilities	<u>220,506</u>	<u>163,007</u>

10. Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares, an unlimited number of Classes A, B and C

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common shares, and an unlimited number of 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 they are 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 common shares cannot be traded on any public exchange and automatically convert to common shares on a share-for-share basis four months after an RTO. These shares were automatically converted to common shares on May 6, 2022, and there are no Class A share outstanding.

The Class B common shares have all rights and privileges of common shares with the exception that Class B common shares cannot be traded on any public exchange and automatically convert to common shares on a share-for-share basis eight months after an RTO. These shares were automatically converted to common shares on September 6, 2022.

The Class C common shares have all rights and privileges of common shares with the exception that Class C common shares cannot be traded on any public exchange and automatically convert to common shares on a share-for-share basis twelve months after an RTO. These shares are to automatically convert to common shares on January 6, 2023.

The preferred shares shall be entitled to preference over the common shares of the Company and over any other shares of the Company 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. There are currently no preferred shares issued and outstanding.

Issued

The continuity of the outstanding share capital is as follows:

	Shares	Proceeds	Share issuance costs	Total
		\$	\$	\$
<u>Common shares</u>				
As at July 31, 2022	17,083,022	4,176,946	(246,275)	3,930,671
Shares issued for cash	-	-	-	-
Issuance of broker warrants	-	-	-	-
Shares issued on conversion of promissory note	-	-	-	-
Shares issued on amalgamation	-	-	-	-
Shares issued on conversion of Class B	5,352,307	1,195,803	(25,250)	1,170,553
Exercise of warrants	-	-	-	-
Redemptions of shares	-	-	-	-
As at October 31, 2022	22,435,329	5,372,749	(271,525)	5,101,224
<u>Class B shares</u>				
As at July 31, 2022	5,352,307	1,195,803	(25,250)	1,170,553
Conversion to Common shares	(5,352,307)	(1,195,803)	25,250	(1,170,553)
As at October 31, 2022	-	-	-	-
<u>Class C shares</u>				
As at July 31, 2021	5,352,307	1,195,803	(25,250)	1,170,553
Conversion to Common shares	-	-	-	-
As at October 31, 2022	5,352,307	1,195,803	(25,250)	1,170,553
	27,787,636	6,568,552	(296,775)	6,271,777

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Warrants

The following is a summary of the change in warrants for the three months ended October 31, 2022 and 2021:

Three Months Ended	2022		2021	
	Number of warrants Outstanding	Weighted average exercise price	Number of warrants Outstanding	Weighted average exercise price
<u>Share purchase warrants</u>				
Opening balance	845,080	0.2328	261,536	0.4446
Granted	-	0.0000	106,260	0.2117
Ending balance	845,080	0.2328	367,796	0.3773
<u>Liquidity warrants (a)</u>				
Opening balance	-	-	4,205,618	0.0003
Ending balance	-	-	4,205,618	0.0003
Total	845,080	0.2328	4,573,414	0.0306

The following summarizes information about the share purchase warrants outstanding at October 31, 2022:

Expiry Date	Number of warrants outstanding	Exercise Price \$	Estimated grant date fair value \$	Weighted average remaining contractual life (in years)
January 06, 2024	496,800	0.2500	65,282	1.184
April 1, 2024	64,920	0.1925	8,721	1.419
May 30, 2025	283,360	0.2117	43,870	2.581
	845,080		117,873	1.670

Options

The Company has a stock option plan which is administered by the Board of Directors of the Company with stock options granted to directors, management, employees, and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time.

The following is a summary of changes in options for the three months ended October 31, 2022 and 2021:

Three Months Ended	2022		2021	
	Number of options Outstanding	Weighted options exercise price	Number of options Outstanding	Weighted options exercise price
Opening Balance	2,763,182	0.2346	690,690	0.2389
Expired	- 300,000	0.2500	-	-
Ending Balance	2,463,182	0.2366	690,690	0.2389

On September 14, 2022, 300,000 options were forfeited by an employee, three months after leaving the company.

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The following summarizes information about the options outstanding at October 31, 2022:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price \$	Recognized grant date fair value \$	Weighted average remaining contractual life (in years)
Jul 05, 2023	176,716	176,716	0.1415	27,065	0.677
Feb 07, 2024	159,390	159,390	0.1888	21,506	1.271
Jan 06, 2027	277,876	277,876	0.2500	51,867	4.186
Jan 14, 2027	1,315,000	711,667	0.2500	196,234	4.208
Apr 14, 2027	180,000	-	0.0250	3,751	4.455
May 30, 2027	354,200	354,200	0.2117	65,311	7.584
	2,463,182	1,679,849		365,734	4.266

The Company recognized share-based compensation expense related to the issuance of stock options for the three months ended October 31, 2022 of \$25,366 (2021 - \$8,279).

The outstanding options and warrants disclosed above were anti-dilutive for the current year and did not impact the calculation of the loss per share.

11. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company.

Three months ended October 31,	Three Months	
	2022	2021
	\$	\$
Consulting fees, payroll and other benefits	71,289	47,140
Share-based compensation	25,366	4,115
	96,655	51,255

For the 3 months ended October 31, 2022, rent expense incurred with an officer of the Company was \$nil (2021 - \$765).

12. Capital Disclosures

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Company has financed its operations and capital requirements primarily through the issuance of shares and recently on secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed

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capital requirements.

13. Contingencies

From time to time the Company may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is currently not determinable, the Company does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

14. Financial Instruments and Risk Management:

The Company has classified its financial instruments as follows:

	October 31, 2022	July 31, 2022
	\$	\$
FVTPL, measured at fair value:		
Cash	61,189	429,833
Short-term Investments	33,000	33,000
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	220,506	163,007

The carrying value of the Company's financial instruments approximate their fair value.

Fair values of financial assets and financial liabilities

The Company categorized its financial instruments that are carried at fair value into a three level fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities classified as Level 1 include cash balances in the Company's bank account of \$61,189 (2022 - \$429,833) and short-term investments \$33,000 (2022- \$33,000).

Level 2: Fair value is based on quoted prices for inactive markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Currently the Company has no level 2 instruments.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. Currently the Company has no level 3 instruments.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at October 31, 2022 under its financial instruments is approximately \$94,189 all of which was held by a major financial institution in Canada. Management believes the exposure to credit risk with respect to such institutions is not significant.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with credit ratings of its banks. Management believes the exposure to interest rate risk is not significant.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements.

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As at October 31, 2022, the Company had cash and cash equivalents and short-term investments of \$94,189 in order to meet current liabilities.

The following obligations existed as at October 31, 2022 and July 31, 2022:

				October 31, 2022		
	Total	less than 1 Year	1 - 5 years			
	\$	\$	\$			
Accounts payable and accrued liabilities	220,506	220,506	-			
	<u>220,506</u>	<u>220,506</u>	<u>-</u>			
				July 31, 2022		
	Total	less than 1 Year	1 - 5 years			
	\$	\$	\$			
Accounts payable and accrued liabilities	163,007	163,007	-			
	<u>163,007</u>	<u>163,007</u>	<u>-</u>			

Currency risk

The Company is not currently subject to significant foreign currency risk.