MedXtractor Corp.
Interim Condensed Financial Statements
For the three and six months ended August 31, 2019
(unaudited)

NOTICE OF NO AUDITORS’ REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed financial statements of MedXtractor Corp. have been prepared by and are the responsibility of the Company's management. The Company’s independent auditor has not performed a review of these financial statements.

Calgary, Alberta
October 23, 2019

Assets		**August 31, 2019**		**Feb. 28, 2019** *(Audited)*
Current				
Cash	**$**	**551,750**	**$**	**143,489**
Accounts receivable		**2,999**		**29,980**
Inventory (Note 5)		**69,436**		**90,041**
	$	**624,185**	**$**	**263,510**
Non-current Assets				
Furniture and Equipment		**1,032**		**822**
Intangibles (Note 6)		**4,840**		**4,840**
Total assets	**$**	**630,057**	**$**	**269,172**
Liabilities				
Current				
Accounts payable and accruals	**$**	**26,322**	**$**	**28,133**
Total liabilities		**26,322**		**28,133**
Shareholders' Equity				
Share capital *(Note 7)*	**$**	**383,002**	**$**	**366,002**
Special warrants (Note 8)		**360,641**		**-**
Contributed surplus		**161,292**		**132,000**
Deficit		**(301,200)**		**(256,963)**
Total shareholders' equity		**603,735**		**241,039**
Total liabilities and shareholders' equity	**$**	**630,057**	**$**	**269,172**

Subsequent events (Note 13)

Approved on behalf of the Board

(Signed) *"James M. Durward"*
Director

(Signed) *"G. Steven Price"*
Director

The accompanying notes are an integral part of these financial statements

MedXtractor Corp.
Interim Condensed Statement of Loss and Comprehensive Loss
(unaudited)

	Three months ended August 31, 2019	Three months ended August 31, 2018	Six months ended August 31, 2019	Six months ended August 31, 2018
Revenues				
Sales (Note 10)	$ 106,069	$ 38,818	$ 200,305	$ 38,878
Cost of Sales	39,958	13,578	86,881	13,607
Gross margin	$ 66,111	$ 25,240	$ 113,424	$ 25,271
Expenses				
Advertising and promotion	12,684	10,160	17,213	13,750
Interest and bank charges	2,203	162	4,647	287
Contractors	7,000	-	12,994	-
Dues and subscriptions	-	17,944	-	17,944
Legal audit, and professional	58,997	-	72,116	32,594
Travel, meals and entertainment	2,069	752	4,613	2.678
Research and development	1,596	-	6,216	-
Office expenses	714	913	1,717	5,544
Accounting	2,600	2,470	4,095	2,718
Rent	2,100	-	4,200	-
Referral fees	1,450	288	1,450	288
Stock based compensation (Note 9)	-	-	29,292	132,000
Total expenses	$ 91,413	$ 32,689	$ 158,553	$ 207,803
Other Income				
Interest Income	$ 667	$ 247	$ 892	$ 635
Total other income	$ 667	$ 247	$ 892	$ 635
Net operating loss and comprehensive loss	$ (24,635)	$ (7,202)	$ (44,237)	$ (181,897)
Loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)

The accompanying notes are an integral part of these financial statements

	Share Capital ($)	Special Warrants ($)	Contributed Surplus ($)	Deficit ($)	Shareholders' Equity ($)
Balance at February 28, 2018	250,002	-	-	(20,759)	229,243
Stock based compensation	-	-	132,000	-	132,000
Net loss	-	-	-	(181,897)	(181,897)
Balance at August 31, 2018	250,002	-	132,000	(202,656)	179,346
Balance at February 28, 2019	366,002	-	132,000	(256,963)	241,039
Share issuances (Note 7)	17,000	-	-	-	17,000
Special warrants issuance (Note 8)	-	367,220	-	-	367,220
Stock based compensation (Note 9)	-	-	29,292	-	29,292
Special warrants issue cost (Note 8)	-	(6,579)	-	-	(6,579)
Net loss	-	-	-	(44,237)	(44,237)
As at August 31, 2019	**383,002**	**360,641**	**161,292**	**(301,200)**	**603,735**

The accompanying notes are an integral part of these financial statements

		Six months ended August 31, 2019		Six months ended August 31, 2018
Cash provided by the following activities:				
Operating activities				
Net loss	$	(44,237)	$	(181,897)
Stock based compensation (Note 9)		29,292		132,000
Change in non-cash working capital (Note 11)		45,775		(50,552)
Cash flows from (used in) operating activities	$	30,830	$	(100,449)
Investing activities				
Purchase of furniture and equipment	$	(210)	$	(430)
Investing in intangibles (Note 6)		-		(1,090)
Cash flows used in investing activities	$	(210)	$	(1,520)
Financing activities				
Issuance of shares (Note 7)	$	17,000		-
Issuance of special warrants (Note 8)		360,641	$	-
Cash flows used in financing activities	$	377,641	$	-
Increase (decrease) in cash		408,261		(101,969)
Cash, beginning of period		143,489		228,207
Cash, end of period	$	551,750	$	126,238

1. Incorporation and operations

MedXtractor Corp. (the "Company") was incorporated on January 24, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The principal business of the Company is the sale of essential oil CO2 extraction equipment.

The head office and registered office of the Company is located at Suite 1150, 707 – 7 Avenue SW, Calgary, Alberta T2P 3H6.

2. Basis of preparation

Statement of compliance

These financial statements for the three and six months ended August 31, 2019 are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the period ending February 28, 2019. These interim condensed financial statements should be read in conjunction with the audited financial statements and the notes thereto for the period from incorporation and ending February 28, 2019.

These financial statements were authorized for issue in accordance with a resolution of the Directors on October 23, 2019.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

As at August 31, 2019, the Company had not achieved profitable operations since its inception and had an accumulated deficit of $301,200. Whether and when the Company can attain profitability from operations is uncertain. The lack of profitable operations results in a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

Basis of measurement

These financial statements are stated in Canadian dollars which is the Company's functional currency and were prepared on a going concern basis, under the historical cost convention.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 4.

3. Significant accounting policies

New accounting standards

On March 1, 2019, the Company adopted IFRS 16 Leases, which requires lessees to recognize all leases on the Statement of Financial Position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted for companies that also applies IFRS 15 Revenue from Contracts with Customers. The adoption of IFRS 16 Leases had no impact on its financial statements as the company does not have any lease contracts.

4. Significant accounting estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Stock based payment transactions

The Company measures the cost of equity-settled share-based transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility, forfeiture rate, risk-free rate and dividend yield and making assumptions about them.

Judgements

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Impairment of non-financial assets

The determination of whether indicators of impairment exist and the aggregation of assets into cash-generating units ("CGU's") based on their ability to generate independent cash flows are subject to management's judgment. The recoverable amounts used for impairment calculations require estimates of future cash flows related to the assets or CGU's and estimates of discount rates applied to these cash flows.

Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Financial instruments

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

5. Inventory

Inventory consists of:		As at August 31, 2019		Feb. 28, 2019
Outsourced subcontracted machined parts and supplies	$	69,436	$	90,041
Total	$	69,436	$	90,041

During the six months ended August 31, 2019, the Company expensed $70,833 of inventory which is included in cost of sales.

6. Intangibles

		August 31, 2019 Patents		Feb. 28, 2019 Patents
Intangible assets, cost	$	5,094	$	5,094
Accumulated amortization		(254)		(254)
Intangible assets, net of accumulated amortization	$	4,840	$	4,840

7. Share capital

Authorized:

Unlimited number of voting Common Shares
Unlimited number of non-voting Preferred shares issuable in series

Issued: Common Shares

	Number of Shares	$
Issued on incorporation	100	1
Issued for cash	15,700,000	366,000
Issued for intangibles *(note 6)*	5,000,000	1
As at February 28, 2019	20,700,100	366,002
Issued for settlement of debt	362,500	17,000
As at August 31, 2019	21,062,600	383,002

At incorporation, the Company issued 100 common shares at a price of $0.01 per share for total proceeds of $1.

On February 22, 2018, the Company issued 5,000,000 common shares of the Company in exchange for intangible assets purchased from a related party at a notional exchange value of $1 representing the carrying-value of the intangible assets.

During the period ended February 28, 2019, the Company issued 13,100,000 and 2,600,000 common shares of the Company at prices of $0.02 and $0.04, respectively, per common share for total proceeds of $366,000.

On April 2, 2019 the Company issued 300,000 common shares as settlement of accounts payable, consisting of 100,000 common shares at $0.02, 100,000 common shares at $0.04 and 100,000 common shares at $0.06, for aggregate deemed proceeds of $12,000 on issue of shares.

On July 31, 2019 the Company issued 62,500 common shares as settlement of accounts payable, at $0.08 per common share, for deemed proceeds of $5,000 on issue of shares.

8. Special Warrants

On July 24, 2019 the Company issued 4,590,250 special warrants at $0.08 per special warrant, for gross proceeds of $367,220. The special warrants automatically convert into units and will be deemed to have been exercised and converted without any further action on the part of the holder on the earliest of:

i) the first business day following the date of which a receipt for a final prospectus has been issued by the securities regulatory authorities in a Province of Canada; or

ii) 365 days following the date of issuance of the special warrants.

On conversion, each unit shall consist of one common share and one common share purchase warrant exercisable into one common share at an exercise price of $0.20 for one year from conversion.

Additionally, the Company paid 6,579 in finders fees and issued 93,575 special warrants to certain finders who assisted in raising funds.

See Note 13 for details of conversion of the special warrants.

9. Stock Option Plan

The Company has a stock option plan for its officers, directors, employees and consultants. The maximum number of common shares issuable under the Plan cannot exceed 10% of the Company's issued and outstanding common shares.

On March 21, 2019, the Company and optionees agreed to cancel the 1,500,000 common shares purchase options. The Company granted 1,725,000 common share purchase options to directors of the Corporation. The stock options are exercisable at a price of $0.08 per share, expire in five years and the options will vest immediately at the date of grant. The fair value of the 1,725,000 stock options granted on March 21, 2019 is $0.01 per option, calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 1.56%, expected life of 5 years and expected volatility of 128%.

On April 1, 2019, the Company granted 375,000 common share purchase options to an officer of the Corporation. The stock options are exercisable at a price of $0.08 per share, expire in five years and the options will vest immediately at the date of grant. The fair value of the 375,000 stock options granted on April 1, 2019 is $0.8 per option, calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 1.58%, expected life of 5 years and expected volatility of 128%.

10. Segmented Information

For the six months ended August 31, 2019 revenues are $86,244 (August 31, 2018 $36,251) to Canadian customers and $ 114,061 (August 31, 2018 $2,726) to customers in the USA and Australia.

11. Changes in non-cash working capital

	Six months ended August 31, 2019	Six months ended August 31, 2018
Accounts receivable	**26,981**	**(2,292)**
Inventory	**20,605**	**(49,258)**
Accounts payable and accruals	**(1,811)**	**998**
Changes in non-cash working capital	**$ 45,775**	**$ (50,552)**

12. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash, accounts receivable, and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of cash, accounts receivable, and account payable and accruals approximates its fair value due to the short-term maturities of these items

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk. $2,588 of accounts receivable is recoverable GST.

Accounts receivable aging	
Current	**-**
30 to 60 days	**401**
60 to 90 days	**10**
	$ 411

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2019, the Company had a cash balance of $551,750 (February 28, 2019 - $143,489) to pay liabilities of $26,322 (February 28, 2019 - $28,133).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Company has a US Dollar bank account with $32,154 Canadian equivalent as at August 31, 2019.

iii. Commodity risk

The Company is not exposed to commodity price risk.

13. Subsequent events

On October 9, 2019 the Alberta Securities Commission issued a receipt for the Company's final prospectus which results in the conversion of the special warrants as described in Note 8 to common shares and warrants.

On October 9, 2019, the Company granted 375,000 common share purchase options to a director of the Corporation. The stock options are exercisable at a price of $0.08 per share, expire in five years and the options will vest immediately at the date of grant.