MedXtractor Corp.
Interim Condensed Financial Statements
For the three and nine months ended November 30, 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
January 9, 2020

MedXtractor Corp.
Interim Condensed Statement of Financial Position
As at
(unaudited)

		November 30, 2019		Feb. 28, 2019 *(Audited)*
Assets				
Current				
Cash	$	550,973	$	143,489
Accounts receivable		5,643		29,980
Inventory (Note 5)		72,686		90,041
Prepaid expenses		3,968		-
	$	633,270	$	263,510
Non-current Assets				
Furniture and Equipment		2,403		822
Intangibles (Note 6)		4,840		4,840
Total assets	$	640,513	$	269,172
Liabilities				
Current				
Accounts payable and accruals	$	3,920	$	28,133
Total liabilities		3,920		28,133
Shareholders' Equity				
Share capital (Note 7)	$	634,980	$	366,002
Warrants (Note 8, 9)		108,663		-
Contributed surplus		180,692		132,000
Deficit		(287,742)		(256,963)
Total shareholders' equity		636,593		241,039
Total liabilities and shareholders' equity	$	640,513	$	269,172

Approved on behalf of the Board

(Signed) "James M. Durward
Director

(Signed) "Steve Price"
Director

The accompanying notes are an integral part of these financial statements

MedXtractor Corp.

Interim Condensed Statement of Income (Loss) and Comprehensive Income (Loss)

(unaudited)

	Three months ended November 30, 2019	Three months ended November 30, 2018	Nine months ended November 30, 2019	Nine months ended November 30, 2018
Revenues				
Sales (Note 11)	$ 191,806	$ 50,932	$ 392,111	$ 89,810
Cost of Sales	71,489	13,623	158,370	27,230
Gross margin	$ 120,317	$ 37,309	$ 233,741	$ 62,580
Expenses				
Depreciation and amortization	79	-	79	-
Advertising and promotion	25,958	21,085	43,171	34,835
Interest and bank charges	3,039	567	7,686	854
Contractors	7,393	2,000	20,387	2,000
Dues and subscriptions	-	-	-	17,944
Legal audit, and professional	43,911	42,177	116,027	74,771
Travel, meals and entertainment	2,420	3,743	7,033	6,421
Research and development	1,327	-	7,543	-
Office expenses	944	2,059	2,661	7,603
Accounting	1,787	910	5,882	3,628
Rent	2,100	700	6,300	700
Referral fees	-	3,733	1,450	4,021
Stock based compensation (Note 10)	19,400	-	48,692	132,000
Total expenses	$ 108,358	$ 76,974	$ 266,911	$ 284,777
Other Income				
Interest Income	$ 1,499	$ 407	$ 2,391	$ 1,042
Total other income	$ 1,499	$ 407	$ 2,391	$ 1,042
Net operating income (loss) and comprehensive income (loss)	$ 13,458	$ (39,258)	$ (30,779)	$ (221,155)
Income (Loss) per share	$ 0.00	$ (0.00)	$ (0.00)	$ (0.01)

The accompanying notes are an integral part of these financial statements

	Share Capital ($)	Special Warrants ($)	Warrants ($)	Contributed Surplus ($)	Deficit ($)	Shareholders' Equity ($)
Balance at February 29, 2018	250,002	-	-	-	(20,759)	229,243
Issuance of shares	116,000	-	-	-	-	116,000
Stock based compensation	-	-	-	132,000	-	132,000
Net loss	-	-	-	-	(221,155)	(221,155)
Balance at November 30, 2018	366,002	-	-	132,000	(241,914)	256,088
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
Special warrants issue costs (Note 8)	-	(6,579)	-	-	-	(6,579)
Conversion of Special warrants to shares and warrants (Note 7, 8, 9)	266,043	(367,220)	108,663	-	-	7,486
Share issue costs	(14,065)	6,579	-	-	-	(7,486)
Stock based compensation (Note 10)	-	-	-	48,692	-	48,692
Net loss	-	-	-	-	(30,779)	(30,779)
As at November 30, 2019	**634,980**	-	**108,663**	**180,692**	**(287,742)**	**636,593**

		Nine months ended November 30, 2019		Nine months ended November 30, 2018
Cash provided by the following activities:				
Operating activities				
Net loss	$	(30,779)	$	(211,162)
Depreciation and amortization		79		-
Stock based compensation (Note 10)		48,692		132,000
Change in non-cash working capital (Note 12)		13,511		(73,583)
Cash flows from (used in) operating activities	$	31,503	$	(152,745)
Investing activities				
Purchase of furniture and equipment	$	(1,660)	$	(628)
Investing in intangibles (Note 6)		-		(1,090)
Cash flows used in investing activities	$	(1,660)	$	(1,718)
Financing activities				
Issuance of shares (Note 7)	$	17,000		116,000
Issuance of special warrants, net of issue costs (Note 8)		360,641	$	-
Cash flows provided by financing activities	$	377,641	$	116,000
Increase (decrease) in cash		407,484		(38,463)
Cash, beginning of period		143,489		228,207
Cash, end of period	$	550,973	$	189,744

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 – 7th Avenue SW Calgary, Alberta T2P 3H6.

2. Basis of preparation

Statement of compliance

These financial statements for the three and nine months ended November 30, 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 November 30 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 January 9, 2020.

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 November 30, 2019, the Company has an accumulated deficit of $287,742. 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 November 30, 2019		Feb. 28, 2019
Outsourced subcontracted machined parts and supplies	$	72,686	$	90,041
Total	$	72,686	$	90,041

During the nine months ended November 30, 2019, the Company expensed $158,370 of inventory which is included in cost of sales.

6. Intangibles

		November 30, 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
Issued on conversion of special warrants	4,590,250	260,728
Issued to finders on conversion of special warrants	93,575	5,315
Issue costs – finders fees and units issued	-	(14,065)
As at November 30, 2019	25,746,425	634,980

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.

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 to common shares and warrants as discussed in Notes 8 and 9. On October 10, 2019 4,683,825 common shares were issued (4,590,250 to investors and 93,575 to finders) at an estimated fair value of $0.06 per common share.

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.

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 to common shares and warrants as discussed in Notes 7 and 9.

9. Warrants

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 to common shares and warrants. 4,590,250 warrants were issues to investors and 93,575 warrants were issued to finders where each warrant is exercisable into one common share at an exercise price of $0.20, expiring October 10, 2020. The fair value estimate of $108,663 of the 4,683,825 warrants was calculated using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 1.48%, expected life of 1 year and expected volatility of 137%.

10. 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%.

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. The fair value of the 375,000 stock options granted on October 9, 2019 is $0.5 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 1.49%, expected life of 5 years and expected volatility of 137%.

11. Segmented Information

For the nine months ended November 30, 2019, revenues are $127,319 (November 30, 2018 $74,939) to Canadian customers and $264,792 (November 30, 2018 $14,871) to customer from the USA, Australia, and UK. For the three months ended November 30, 2019 revenues are $49,838 (November 30, 2018 $36,061) to Canadian customer and $141,968 (November 30, 2018 $14,871) to customers in the USA and UK.

12. Changes in non-cash working capital

	Nine months ended November 30, 2019	Nine months ended November 30, 2018
Accounts receivable	**24,337**	**(3,890)**
Inventory	**17,355**	**(58,576)**
Prepaid expenses	**(3,968)**	**-**
Accounts payable and accruals	**(24,213)**	**(11,117)**
Changes in non-cash working capital	**$ 13,511**	**$ (73,583)**

13. 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. Accounts receivable is recoverable GST.

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 November 30, 2019, the Company had a cash balance of $550,973 (February 28, 2019 - $143,489) to pay liabilities of $3,920 (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 does not have assets or liabilities in foreign currency other than $64,283 Canadian equivalent of US dollar cash balances as at November 30, 2019.

iii. Commodity risk

The Company is not exposed to commodity price risk.