



MedXtractor Corp.
Interim Condensed Financial Statements
expressed in Canadian dollars

For the three months ended May 31, 2020
(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
June 17, 2020

MedXtractor Corp.
Interim Condensed Statement of Financial Position
expressed in Canadian dollars
(unaudited)

As at

	May 31, 2020	February 28, 2020
Assets		(Audited)
Current		
Cash	\$ 603,389	\$ 594,492
Accounts receivable	6,580	5,255
Inventory (Note 5)	61,151	60,315
Prepaid expenses and deposits	9,750	6,769
	680,870	666,831
Non-current Assets		
Furniture and Equipment, net of accumulated amortization	2,036	2,221
Intangibles (Note 6)	5,222	4,791
Total assets	\$ 688,128	\$ 673,843
Liabilities		
Current		
Accounts payable and accruals	\$ 35,907	\$ 36,922
Total liabilities	35,907	36,922
Shareholders' Equity		
Share capital (Note 7)	\$ 700,659	\$ 700,659
Warrants (Note 8)	42,984	42,984
Contributed surplus (Note 11)	186,839	186,839
Deficit	(278,261)	(293,561)
Total shareholders' equity	652,221	636,921
Total liabilities and shareholders' equity	\$ 688,128	\$ 673,843

Approved on behalf of the Board of Directors

“signed”

Director

“signed”

Director

The accompanying notes are an integral part of these financial statements

MedXtractor Corp.
Interim Condensed Statement of Income and Comprehensive Income
expressed in Canadian dollars
For the year three months ended
(unaudited)

Revenues	May 31, 2020	May 31, 2019
Sales (Note 12)	\$ 95,493	\$ 94,237
Cost of Sales	33,626	46,924
Gross margin	\$ 61,867	\$ 47,313
Expenses		
Depreciation and amortization	\$ 253	\$ -
Advertising and promotion`	9,575	4,528
Warranty	16	-
Interest and bank charges	917	2,444
Contractors	6,250	5,994
Legal, audit, and professional	12,027	13,120
Travel, meals and entertainment	519	2,544
Research and development	5,646	-
Insurance	3,250	4,620
Investor relations	6,814	-
Office expenses	1,273	1,003
Accounting	1,200	1,495
Rent	700	2,100
Referral fees	153	-
Stock based compensation (Note 11)	-	29,292
Total expenses	\$ 48,593	\$ 67,140
Other Income		
Foreign exchange gain	\$ 1,475	\$ -
Interest Income	551	225
Total other income	\$ 2,026	\$ 225
Net operating income (loss) and comprehensive income (loss)	\$ 15,300	\$ (19,602)
Income (loss) per share (basic and diluted)	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding (basic and diluted)	25,746,425	20,892,491

The accompanying notes are an integral part of these financial statements

MedXtractor Corp.
Interim Condensed Statement of Changes in Shareholders' Equity
expressed in Canadian dollars

For the three months ended May 31, 2020
(unaudited)

	Share Capital (\$)	Special Warrants (\$)	Warrants (\$)	Contributed Surplus (\$)	Deficit (\$)	Shareholders' Equity (\$)
As at February 28, 2019	366,002	-	-	132,000	(256,963)	241,039
Share issuances	12,000	-	-	-	-	12,000
Stock based compensation	-	-	-	29,292	-	29,292
Net loss	-	-	-	-	(19,602)	(19,602)
As at May 31, 2019	378,002	-	-	161,292	(276,565)	262,729
As at February 28, 2020	700,659	-	42,984	186,839	(293,561)	636,921
Net income	-	-	-	-	15,300	15,300
As at May 31, 2020	700,659	-	42,984	186,839	(278,261)	652,221

The accompanying notes are an integral part of these financial statements

MedXtractor Corp.
Interim Condensed Statement of Cash Flows
expressed in Canadian dollars
For the three months ended
(unaudited)

Cash provided by (used in):

	May 31, 2020	May 31, 2019
Operating activities		
Net income (loss)	\$ 15,300	\$ (19,602)
Depreciation and amortization	253	-
Stock based compensation	-	29,292
Change in non-cash working capital (Note 13)	(6,156)	48,178
Cash flows provided by operating activities	\$ 9,397	\$ 57,868
Investing activities		
Purchase of furniture and equipment	\$ -	\$ (210)
Investment in intangibles	(500)	-
Cash flows used in investing activities	(500)	(210)
Increase in cash	8,897	57,658
Cash, beginning of period	594,492	143,489
Cash, end of period	\$ 603,389	\$ 201,147

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MedXtractor Corp.
Notes to the Interim Condensed
Financial Statements
expressed in Canadian dollars
For the three months ended May 31, 2020
(unaudited)

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 Company is publicly trading and listed on the Canadian Securities Exchange (CSE:MXT).

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

2. Basis of preparation

Statement of compliance

These financial statements for the three months ended May 31, 2020 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, 2020. These interim condensed financial statements should be read in conjunction with the audited financial statements and the notes thereto for the year ending February 28, 2020.

These financial statements were authorized for issue in accordance with a resolution of the directors on June 16, 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.

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 are 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

Accounting policies as described in the audited financial statements and the notes thereto for the year ended February 28, 2020.

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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 officers and directors 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.

MedXtractor Corp.
Notes to the Interim Condensed
Financial Statements

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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:	May 31, 2020	February 29, 2020
Raw Material	\$ 55,922	\$ 47,376
Sub Assembly	772	2,025
Finished goods	4,457	10,914
Total	\$ 61,151	\$ 60,315

During the three months ended May 31, 2020, the Company expensed \$24,447 (May 31, 2019 - \$30,626) of inventory which is included in cost of sales.

6. Intangibles

	May 31, 2020	Patents February 29, 2020
Intangible assets, cost	\$ 5,594	\$ 5,094
Accumulated amortization	(372)	(303)
Intangible assets, net of accumulated amortization	\$ 5,222	\$ 4,791

7. Share capital

Authorized:

Unlimited number of voting Common Shares without par value

Unlimited number of non-voting Preferred shares issuable in series without par value

Issued: Common Shares

	Number of Shares	\$
As at February 29, 2020 and May 31, 2020	25,746,425	700,659

8. Warrants

Warrants	Number of warrants outstanding	Value	Exercise price	Weighted average life (in years)
As at February 29, 2020	4,683,825	\$42,984	\$0.20	0.61
As at May 31, 2020	4,683,825	\$ 42,984	\$0.20	0.36

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9. Capital disclosures

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to advance its technology and create operating profits.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end.

10. 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.

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 May 31, 2020, the Company had a cash balance of \$603,389 to pay liabilities of \$35,907.

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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

As at May 31, 2020, the Company has \$77,074 in cash denominated in US Dollars foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

11. 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.

Stock Options	Number of options outstanding and exercisable	Weighted average exercise price	Weighted average life (in years)
As at February 29, 2020	2,100,000	\$0.08	4.16
As at May 31, 2020	2,100,000	\$0.08	3.91

12. Segmented Information

Revenues are predominantly to International customers with \$61,252 for the three months ended May 31, 2020 (May 31, 2019 - \$53,121).

13. Changes in non-cash working capital

	Three months ended	
	May 31, 2020	May 31, 2019
Accounts receivable	\$ (1,325)	\$ 25,099
Inventory	(836)	30,626
Prepaid expenses and deposits	(2,980)	
Accounts payable and accruals	(1,015)	(7,546)
Changes in non-cash working capital	\$ (6,156)	\$ 48,178