MedXtractor Corp.
Interim Consolidated Condensed Financial Statements
expressed in Canadian dollars

For the three and six months ended August 31, 2020
(unaudited)

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated 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
September 29, 2020

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

				As at
		August 31, 2020		**February 29, 2020**
Assets				**(Audited)**
Current				
Cash	$	**598,628**	$	594,492
Accounts receivable		**7,171**		5,255
Inventory (Note 5)		**74,623**		60,315
Prepaid expenses and deposits		**18,899**		6,769
		699,321		666,831
Non-current Assets				
Furniture and Equipment, net of accumulated amortization		**1,853**		2,221
Intangibles (Note 6)		**5,744**		4,791
Total assets	**$**	**706,918**	**$**	673,843
Liabilities				
Current				
Accounts payable and accruals	**$**	**38,141**	**$**	36,922
Total liabilities		**38,141**		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		**(261,705)**		(293,561)
Total shareholders' equity		**668,777**		636,921
Total liabilities and shareholders' equity	**$**	**706,918**	**$**	673,843

Approved on behalf of the Board of Directors

"signed" **Director**

"signed" **Director**

The accompanying notes are an integral part of these consolidated financial statements

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

Revenues		3 Months Ended August 31, 2020		3 Months Ended August 31, 2019		6 Months Ended August 31, 2020		6 Months Ended August 31, 2019
Sales (Note 12)	$	**167,270**	$	106,069	$	**262,763**	$	200,305
Cost of Sales		**75,767**		39,958		**109,393**		86,881
Gross margin	$	**91,503**		66,111	$	**153,370**	$	113,424
Expenses								
Depreciation and amortization	$	**262**		-	$	**515**	$	-
Advertising and promotion`		**31,388**		12,684		**40,963**		17,213
Warranty		**174**		-		**190**		-
Interest and bank charges		**2,890**		2,203		**3,807**		4,647
Contractors		**10,750**		7,000		**17,000**		12,994
Legal, audit, and professional		**4,281**		58,997		**16,308**		72,116
Travel, meals and entertainment		**1,515**		2,069		**2,034**		4,613
Research and development		**2,474**		1,596		**8,120**		6,216
Insurance		**3,250**		-		**6,500**		-
Investor relations		**8,838**		-		**15,652**		-
Office expenses		**1,611**		714		**2,884**		1,717
Accounting		**1,800**		2,600		**3,000**		4,095
Rent		**2,100**		2,100		**2,800**		4,200
Referral fees		**-**		1,450		**153**		1,450
Stock based compensation (Note 11)		**-**		-		**-**		29,292
Total expenses	$	**71,333**	$	91,413	$	**119,926**	$	158,553
Other Income								
Foreign exchange gain (loss)	$	**(3,947)**	$	667		**(2,472)**	$	892
Interest Income		**333**		-		**884**		--
Total other income	$	**(3,614)**	$	**667**	$	**(1,588)**	$	892
Net operating income (loss) and comprehensive income (loss)	$	**16,556**	$	**(24,635)**	$	**31,856**	$	(44,237)
Income (loss) per share (basic and diluted)	$	**0.00**	$	**(0.00)**	$	**0.00**	$	(0.00)
Weighted average shares outstanding (basic and diluted)						**25,746,425**		21,062,600

The accompanying notes are an integral part of these consolidated financial statements

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

For the six months ended August 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	17,000	-	-	-	-	17,000
Special warrants issuance (Note 8)		367,220				367,220
Stock based compensation	-	-	-	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**
As at February 29, 2020	**700,659**	**-**	**42,984**	**186,839**	**(293,561)**	**636,921**
Net income	-	-	-	-	31,856	31,856
As at August 31, 2020	**700,659**	-	**42,984**	**186,839**	**(261,705)**	**668,777**

The accompanying notes are an integral part of these consolidated financial statements

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

Cash provided by (used in):

	August 31, 2020	August 31, 2019
Operating activities		
Net income (loss)	$ **31,856**	$ (44,237)
Depreciation and amortization	**515**	-
Stock based compensation	**-**	29,292
Change in non-cash working capital (Note 13)	**(27,135)**	45,775
Cash flows provided by operating activities	$ **5,236**	$ 30,830
Investing activities		
Purchase of furniture and equipment	$ **-**	$ (210)
Investment in intangibles	**(1,100)**	-
Cash flows used in investing activities	**(1,100)**	(210)
Financing Activities		
Issuance of shares	**-**	17,000
Issuance of special warrants	**-**	360,641
Cash flows provided by financing activities	**-**	**377,641**
Increase in cash	**4,136**	408,261
Cash, beginning of period	**594,492**	143,489
Cash, end of period	$ **598,628**	$ **551,750**

The accompanying notes are an integral part of these consolidated financial statements

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).

On July 13, 2020 the Company incorporated a wholly-owned subsidiary 2273670 Alberta Ltd. for manufacturing alcohol-based extractors.

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 consolidated financial statements for the six months ended August 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 August 31, 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 29, 2020.

These consolidated financial statements include the financial statements of MedXtractor Corp. and its wholly-owned subsidiary, 2273670 Alberta Ltd., a company incorporated in Alberta on July 13, 2020. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiary incorporated during the year are included in the consolidated statements of income and comprehensive income from the date of incorporation. All intercompany transactions, balances, income and expenses are eliminated through the consolidation process. The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

These consolidated financial statements were authorized for issue in accordance with a resolution of the directors on September 29, 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 consolidated 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 29, 2020.

These consolidated financial statements include the financial statements of MedXtractor Corp. and its wholly-owned subsidiary, 2273670 Alberta Ltd., a company incorporated in Alberta on July 13, 2020. The results of the subsidiary incorporated during the year are included in the consolidated statements of income and comprehensive income from the date of incorporation. All intercompany transactions, balances, income and expenses are eliminated through the consolidation process. The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

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.

expressed in Canadian dollars

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:		**August 31, 2020**		**February 29, 2020**
Raw Material	**$**	64,773	**$**	47,376
Sub Assembly		9,850		2,025
Total	**$**	74,623	**$**	60,315

During the six months ended August 31, 2020, the Company expensed $75,813 (August 31, 2019 - $70,833) of inventory which is included in cost of sales.

6. Intangibles

		Patents		
		August 31, 2020		**February 29, 2020**
Intangible assets, cost	**$**	6,193	**$**	5,094
Accumulated amortization		(449)		(303)
Intangible assets, net of accumulated amortization	**$**	5,744	**$**	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

expressed in Canadian dollars

Issued: Common Shares

	Number of Shares	$
As at February 29, 2020 and August 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	$0.20	0.61
As at August 31, 2020	**4,683,825**	**$ 42,984**	**$0.20**	**0.11**

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 August 31, 2020, the Company had a cash balance of $598,628 to pay liabilities of $38,141.

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 August 31, 2020, the Company has $58,337 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 August 31, 2020	**2,100,000**	**$0.08**	**3.66**

expressed in Canadian dollars

12. Segmented Information

Revenues are predominantly to international customers. $182,606 are international for the six months ended August 31, 2020 (August 31, 2019 - $114,061).

13. Changes in non-cash working capital

	Six months ended			
		August 31, 2020		August 31, 2019
Accounts receivable	$	(1,916)	$	26,981
Inventory		(14,308)		20,605
Prepaid expenses and deposits		(12,130)		-
Accounts payable and accruals		1,219		(1,811)
Changes in non-cash working capital	$	(27,135)	$	45,775