AMMPOWER CORP.

CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of AmmPower Corp.

Opinion

We have audited the consolidated financial statements of AmmPower Corp. (the "Group"), which comprise the consolidated statements of financial position as at May 31, 2023 and May 31, 2022 and the consolidated statements of loss and comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at May 31, 2023 and May 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended May 31, 2023. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Asset acquisition - Valuation of intangible assets

As described in Note 5 to the consolidated financial statements, the Group completed the acquisition of Progressus Clean Technologies, Inc. ("Progressus") through the issuance of 50,000,000 common shares with a fair value of $17,250,000. Management determined that the acquisition did not meet the definition of a business combination and the transaction has been accounted for as an asset acquisition. The purchase price was allocated to the assets acquired and the liabilities assumed based on their respective fair values, including identified intangible assets with a fair value of $35 million. The intangible assets were subsequently tested for impairment and the Group determined that the carrying amount of the intangible assets exceeded their recoverable amount. We identified this area as a key audit matter.

Why the matter was determined to be a key audit matter
The asset acquisition was significant to our audit due to the subjective nature of estimating the fair values of identified assets and liabilities as at acquisition date, particularly the intangible assets. In addition, management's impairment assessment process is based on assumptions, specificially profit margins, growth rates and discount rates, which are affected by expected future market or economic conditions, giving rise to high estimation uncertainty. This in turn required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's accounting treatment and assumptions used.

How the matter was addressed in the audit
Our audit procedures related to the asset acquisition and impairment assessment included, among others:

- Reviewed the share purchase agreement to obtain an understanding of the key terms and stucture of the transaction;

- Assessed management's analysis and evaluation on the accounting treatment of the transaction to ensure that it has been appropriately assessed as an asset acquisition;

- Recalculated the fair value of the shares issued by taking the quoted price on the date of the acquisition multplied by the number of shares issued;

- Tested the reasonableness of the significant assumptions used in the discounted cash flow models and tested the mathematical accuracy thereof; and

- Involved valuation professionals with specialized skills and knowledge, who assisted in:

  - Evaluating the appropriateness of the Group's discount rates by comparing the discount rates to market; and

  - Evaluating the appropriateness of the valuation approaches used by the Group to calculate the fair value of the intangible assets at the acquisition date and for the subsequent impairment assessment.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hilda Leung.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
September 27, 2023

AMMPOWER CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
May 31, 2023 and 2022
(Expressed in Canadian Dollars)

		2023		2022
ASSETS				
Current				
Cash	$	58,554	$	626,514
Amounts receivable		144,420		42,412
Prepaid expenses		156,364		111,518
Deposits (Note 6)		626,663		918,459
		986,001		1,698,903
Property, plant and equipment (Note 7)		584,731		582,534
Right of use asset (Note 9)		1,251,510		1,450,843
Exploration and evaluation assets (Note 8)		8,707		8,707
	$	2,830,949	$	3,740,987
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 13)	$	2,154,022	$	755,000
Due to related parties (Note 13)		212,348		6,707
Deferred revenue (Note 12)		162,863		-
Lease liabilities – current (Note 9)		248,686		205,633
Convertible loans (Note 10)		516,507		-
		3,294,426		967,340
Lease liabilities – long-term (Note 9)		1,196,669		1,363,486
		4,491,095		2,330,826
EQUITY (DEFICIT)				
Share capital (Note 11)		51,207,543		31,186,846
Contributed surplus (Note 11)		8,812,340		7,376,132
Accumulated other comprehensive income (loss)		17,040		(26,216)
Accumulated deficit		(61,664,580)		(37,126,601)
(Deficit) equity attributable to shareholders		(1,627,657)		1,410,161
Non-controlling interest (Note 18)		(32,489)		-
Total equity (deficit)		(1,660,146)		1,410,161
	$	2,830,949	$	3,740,987

Going concern (Note 2)
Commitments (Notes 9 and 11)
Subsequent events (Notes 8, 11, 13 and 20)

APPROVED ON BEHALF OF THE BOARD:

"Alia Comai" Director — Alia Comai

"Gary Benninger" Director — Gary Benninger

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

AMMPOWER CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended May 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
Expenses		
Consulting fees (Note 13)	$ 672,617	$ 1,727,271
Depreciation (Notes 7 and 9)	366,733	256,524
General exploration cost (Note 8)	-	53,625
Insurance	84,287	72,261
Interest and accretion	212,069	158,388
Investor relations	214,644	5,531,525
Marketing	-	122,743
Office and general	115,370	291,848
Professional fees	283,914	304,500
Repairs and maintenance	129,083	100,912
Research, development and technology expense	275,030	746,721
Share-based payments (Notes 11 and 13)	3,030,484	9,799,913
Transfer agent and filing fees	19,420	72,791
Travel and meals	34,731	-
Wages and benefits (Note 13)	2,019,488	1,409,060
	7,457,870	20,648,082
Loss before other items	(7,457,870)	(20,648,082)
Other items:		
Gain on debt settlement (Note 11)	301	169,296
Impairment of mineral property (Note 8)	-	(40,000)
Impairment of intangible assets (Note 5)	(34,522,554)	-
Other income (Notes 9 and 12)	194,121	-
	(34,328,132)	129,296
Net loss for the year	(41,786,002)	(20,518,786)
Other comprehensive gain (loss)		
Gain (loss) on translation of foreign operations	43,256	(25,079)
Total comprehensive loss for the year	$ (41,742,746)	$ (20,543,865)
Net loss attributable to:		
Shareholders of the Company	$ (24,537,979)	$ (20,518,786)
Non-controlling interest	(17,248,023)	-
Net loss for the year	$ (41,786,002)	$ (20,518,786)
Total comprehensive loss attributable to:		
Shareholders of the Company	$ (24,494,401)	$ (20,543,865)
Non-controlling interest	(17,248,345)	-
Total comprehensive loss for the year	$ (41,742,746)	$ (20,543,865)
Basic and diluted loss per share	$ (0.20)	$ (0.24)
Weighted average number of common shares outstanding	119,586,001	84,157,081

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

AMMPOWER CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
For the years ended May 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Commitment to Issue Shares	Contributed Surplus	Accumulated Other Comprehensive (Loss) income	Accumulated Deficit	Non-controlling interest	Total Equity (Deficit)
Balance, May 31, 2021	67,968,290	$ 16,661,291	$ 301,536	$ 2,306,775	$ (1,137)	$ (16,607,815)	$ -	$ 2,660,650
Private placement	13,020,242	7,231,716	(301,536)	-	-	-	-	6,930,180
Share issue cost – cash	-	(566,202)	-	-	-	-	-	(566,202)
Agents' warrants	-	(294,945)	-	294,945	-	-	-	-
Exercise of share purchase warrants	6,932,742	2,762,904	-	-	-	-	-	2,762,904
Exercise of agent's warrants	363,090	297,734	-	(79,880)	-	-	-	217,854
Shares issued per restricted share units	5,937,153	4,945,621	-	(4,945,621)	-	-	-	-
Share-based payments – stock options	-	-	-	3,344,368	-	-	-	3,344,368
Share-based payments – restricted share Units ("RSU")	-	-	-	6,455,545	-	-	-	6,455,545
Shares issued for debt	215,547	148,727	-	-	-	-	-	148,727
Total comprehensive loss for the year	-	-	-	-	(25,079)	(20,518,786)	-	(20,543,865)
Balance, May 31, 2022	94,437,064	31,186,846	-	7,376,132	(26,216)	(37,126,601)	-	1,410,161
Private placement	5,541,913	1,274,640	-	-	-	-	-	1,274,640
Share issue cost – cash	-	(111,678)	-	-	-	-	-	(111,678)
Agents' warrants	-	(34,240)	-	34,240	-	-	-	-
Exercise of share purchase warrants	2,000	200	-	-	-	-	-	200
Shares issued for acquisition of Progressus (Note 5)	50,000,000	17,250,000	-	-	-	-	-	17,250,000
Non-controlling interest Progressus (Note 5)	-	-	-	-	-	-	17,215,534	17,215,534
Shares issued per restricted share units	4,701,302	1,628,516	-	(1,628,516)	-	-	-	-
Share-based payments – stock options	-	-	-	1,201,890	-	-	-	1,201,890
Share-based payments –RSU	-	-	-	1,828,594	-	-	-	1,828,594
Shares issued for debt	60,267	13,259	-	-	-	-	-	13,259
Total comprehensive loss of the year	-	-	-	-	43,256	(24,537,979)	(17,248,023)	(41,742,746)
Balance, May 31, 2023	154,742,546	$ 51,207,543	$ -	$ 8,812,340	$ 17,040	$ (61,664,580)	$ (32,489)	$ (1,660,146)

AMMPOWER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended May 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
Operating Activities		
Net loss for the year	$ (41,786,002)	$ (20,518,786)
Items not affecting cash:		
Depreciation	366,733	256,524
Impairment of exploration and evaluation assets	-	40,000
Impairment of intangible assets	34,522,554	-
Interest and accretion	212,069	158,388
Share-based payments	3,030,484	9,799,913
Gain on debt settlement	(301)	(169,296)
Changes in non-cash working capital items related to operations:		
Amounts receivable	(102,008)	29,475
Prepaid expenses and deposits	260,436	(266,689)
Accounts payable and accrued liabilities	1,320,821	961,270
Due to related parties	202,023	-
Deferred revenue	162,863	-
Cash used in operating activities	(1,810,328)	(9,709,201)
Investing Activities		
Cash acquired from acquisition of Progressus	21,254	-
Property plant and equipment	(57,443)	(620,342)
Cash used in investing activities	(36,189)	(620,342)
Financing Activities		
Shares issued for cash	1,274,840	9,910,938
Share issue cost – cash	(111,678)	(566,202)
Lease payments and prepayment	(392,793)	(259,189)
Issue of convertible loans	500,000	-
Cash provided by financing activities	1,270,369	9,085,547
Effect of foreign exchange on cash	8,188	(24,718)
Change in cash during the year	(567,960)	(1,268,714)
Cash, beginning of year	626,514	1,895,228
Cash, end of the year	$ 58,554	$ 626,514
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash investing and financing transactions		
Fair value of shares on debt settlement	$ 13,259	$ 148,727
Fair value of shares issued on exercise of agents' warrants	$ -	$ 79,880
Fair value of shares issued to settle RSU	$ 1,628,516	$ 4,945,621
Fair value of agents' warrants issued	$ 34,240	$ 294,945
Right of use asset acquired	$ -	$ 1,660,410
Fair value of shares issued to acquire Progressus (Note 5)	$ 17,250,000	$ -

1. CORPORATE INFORMATION

AMMPOWER CORP. (the "Company" or "Ammpower") is a clean energy company focused on the production of green ammonia. On September 18, 2020, the Company received approval from the Canadian Securities Exchange ("CSE") for the listing of its common shares on the CSE and on October 6, 2020, commenced trading on the CSE under the symbol "SOLD" which was subsequently changed to "AMMP". The Company is also listed on the Frankfurt stock exchange under "601A" and OTC under "AMMPF".

On January 6, 2023, the Company acquired 50.05% of Progressus Clean Technologies Inc. ("Progressus"). As consideration, the Company issued 50,000,000 common shares of the Company (Note 5). The Company's cracking technology and Progressus' gas separation technology serve as means to extract green hydrogen from its carrier in the context of our clean energy initiatives. The Progressus intellectual property allows us to expand our technology-based clean energy agenda.

The Company was incorporated on December 3, 2019, in British Columbia. The head office and principal address of the Company is located at 5 Hazelton Avenue, Toronto, Ontario, Canada, M5R 2E1. The Company's registered and records office is located at 2800 Park Place – 666 Burrard Street, Vancouver, BC V6C 2Z7.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue by the Board of Directors on September 27, 2023.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its Canadian subsidiary. The functional currency of the US subsidiaries is the US dollar. The functional currency of the Irish subsidiary is the Euro.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION – (cont'd)

(c) Going Concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At May 31, 2023, the Company has not achieved profitable operations, has accumulated losses of $61,664,580 since inception and expects to incur further losses in the development of its business.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its production of green ammonia, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the consolidated financial statements, unless otherwise indicated.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries at the end of the reporting year.

		Percentage of ownership	
	Jurisdiction	2023	2022
AmTek Inc. (inactive)	Canada	100%	100%
Ammpower America LLC	United States	100%	100%
AmmGen Inc. (inactive)	United States	100%	-
Naro Corporation Limited (inactive)	Ireland	100%	100%
Progressus Clean Technologies Inc.	United States	50.05%	-

The results of these subsidiaries will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Principles of Consolidation – (cont'd)

AmTek Inc. ("AmTek") was incorporated on February 4, 2021 under the laws of the Province of Ontario. (Note 8).

Ammpower America LLC ("Ammpower America") was incorporated on May 11, 2021 under the articles of organization through the Michigan department of licensing and regulatory affairs.

AmmGen Inc. ("AmmGen") was incorporated on May 5, 2023 under the articles of organization through the Michigan department of licensing and regulatory affairs.

Naro Corporation Limited ("Naro") was incorporated on May 20, 2022 under the laws of Ireland.

Progressus Clean Technologies Inc. ("Progressus") was incorporated on January 27, 2021 under the laws of the State of Delaware (Note 5).

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write-off the cost of the furniture and equipment, less their estimated residual value, using the straight-line method at the following annual rates:

Computer equipment	Straight-line 5 years
Equipment	Straight-line 5 to 10 years
Furniture and fixtures	Straight-line 7 years
Leasehold improvements	Straight-line 5 to 7 years

Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Exploration and Evaluation Assets

Exploration and evaluation expenditures rights to explore

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration, option payment under an earn-in arrangement and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and development costs are capitalized to "property, plant and equipment" on the statement of financial position. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Exploration and Evaluation Assets – (cont'd)

Exploration and evaluation expenditures

Exploration and evaluation ("E & E") expenditures are charged to operations in the year incurred until such time as it has been determined that a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment.

Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and has the ability to use or sell the asset. Any expenditures capitalized include the costs of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs on qualifying assets. Other development expenditures are recognized in profit or loss as incurred.

Intangible Assets

Intangible assets consist of intellectual property and trade secrets. Intangible assets acquired in an asset acquisition are measured at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable at least annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Impairment of Long-lived Assets

The Company's assets are reviewed for an indication of impairment at each statement of financial position date and whenever events suggest that the carrying amounts may not be recoverable. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Impairment of Long-lived Assets – (cont'd)

The recoverable amount is the greater of the asset's 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Financial Instruments

Financial Assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss ("FVTPL") are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses) for loans and receivable, and not reclassified from equity to profit or loss for investments in equity instruments. Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as other income in the statement of loss in the period which it arises.

The Company's cash is measured at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Financial Instruments – (cont'd)

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities, due to related parties, lease liabilities, and convertible loans as financial liabilities held at amortized cost.

Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Provisions – (cont'd)

Other 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.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the net loss by the weighted average number of outstanding shares in issue during the reporting period. Diluted loss per share is computed similar to basic loss except that the weighted average number of outstanding shares include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options, warrants and restricted share units were exercised and the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

Revenue Recognition

The Company recognizes revenue in accordance with IFRS 15 – Revenue from contracts with customers. This standard contains a single model with two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. The Company recognizes revenue when a contractual arrangement is in place, the fee is fixed and determinable, the services have been provided or the products have been delivered to the customer, and collectability is reasonably assured. Payments received in advance are recorded as deferred revenue and brought into revenue as earned.

With respect to the license income, there is one performance obligation to fulfill, and the revenue is recognized over time during the term of the agreement.

Income Taxes

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for other than business combination which does not have an impact. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred income tax assets and liabilities are presented as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Share Capital

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements is determined to be the more easily measurable component and is valued at their fair value, as determined by the closing quoted bid price on the date of issuance. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to contributed surplus.

Foreign Currency

The consolidated financial statements are presented in Canadian dollars which is the functional currency of Ammpower and AmTek. The functional currency of Ammpower America, AmmGen and Progressus is the US dollar. The functional currency of Naro is the Euro.

Assets and liabilities of the subsidiary having a functional currency other than the Canadian dollar are translated at the rate of exchange at the reporting period date. Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. The resulting foreign currency translation adjustments are recognized in the other comprehensive loss included in the consolidated statements of loss and comprehensive loss.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in profit or loss.

Share-Based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant using the Black-Scholes valuation model and recorded as compensation expense in profit or loss, with a corresponding increase to contributed surplus. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of stock options that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments, along with the amounts reflected in contributed surplus, is credited to share capital. Shares are issued from treasury upon the exercise of the equity-settled share-based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by the use of the Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Expected volatility was determined based on comparison to similar companies for stock options with an expected life longer than the Company's trading history, otherwise expected volatility was estimated using the historical stock price of the Company.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Share-Based Payments – (cont'd)

All equity-settled share-based payments are reflected in contributed surplus until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. Amount recorded in contributed surplus for share options which expire unexercised remain in contributed surplus.

The Company measures the cost of equity-settled share-based transactions by reference to the fair value of the equity instruments at the date at which they are granted. For restricted share units ("RSU"), the fair value of the grant is determined by multiplying the Company's share price at grant date by the number of RSU granted. The resulting fair value of the RSU is then adjusted for an estimated forfeiture rate which is determined based on historical data and is recognized over the vesting period. Actual number of RSU that will eventually vest is likely to be different from estimation.

Leases

A contract is or contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The cost of the right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs; and if applicable, an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The carrying amount of the right-of-use asset is depreciated on a straight-line basis over the life of the leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Leases – (cont'd)

The Company applies judgment to determine the lease term for leases in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Lease payments from leases with a term of less than 12 months or leases where the underlying asset is of low value are expensed in profit or loss.

Recent accounting pronouncements and changes in accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and are not expected to have a material impact on the Company.

Amendments to IAS 8 – Definition of accounting estimates
IAS 8 – Accounting policies, changes in accounting estimates and errors ("IAS 8") was amended in February 2021. The IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. These amendments are effective for reporting periods beginning on or after January 1, 2023 and are not expected to a material impact on the Company.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023 and the Company is currently evaluating the impact of the amendments on its consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - (cont'd)

Significant estimates

Estimates and assumptions where there is significant risk of material adjustments to the consolidated statement of financial position in future accounting periods include the recoverability and measurement are as follows:

Asset Acquisition

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. The Company completed the acquisition of Progressus in January 6, 2023 (Note 5) and concluded that the acquired entity did not qualify as a business under IFRS 3, "Business Combinations", as significant processes were not acquired. Accordingly, the acquisition has been accounted for as an asset acquisition. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a purchase price allocation, as described below. The purchase price allocation process resulting from the asset acquisition required management to estimate the fair value of the consideration paid, and the fair value of the identifiable assets acquired, including intangible assets, and liabilities assumed.

The cost of an acquisition was measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of the non-controlling interest ("NCI") in the acquiree.

Impairment of intangible assets

The Company assesses the carrying values of its intangible assets annually, or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and judgments regarding sales and demand forecasts, costs of production and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates and future cash flows. A material change in assumptions may significantly impact the potential impairment of these assets. During the year, the Company recognized an impairment charge on the intangible assets acquired from Progressus (Note 5).

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Convertible loans

During the year ended May 31, 2023, the Company entered into convertible loan agreements for an aggregate amount of $500,000. The convertible loans required management's judgement in accounting for separate components of the host debt and the conversion option. The identification of such components embedded within an convertible loans require significant judgement given that it is based on the interpretation of the substance of the contractual arrangement. Since the terms of the conversion feature result in a variable number of the Company's equity instruments if it is exercised, the convertible loans are classified as a financial liability (Note 10).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - (cont'd)

Going Concern

The assessment of the Company's ability to continue as a going concern require significant judgement. See Note 2(c).

Research and development

Research costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 Intangible Assets. Management has determined that research and development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs have been expensed.

Revenue

Significant management judgements and estimates must be made in connection with determination of the revenue to be recognized in any accounting period. If management made different judgements or utilized different estimates for any period, material differences in the amount and timing of revenue recognized could result. During the year, the Company entered into a contract which included multiple promised services or products, thus management applied judgement to determine whether promised services or products are capable of being distinct and distinct in the context of the contract. Management determined the contract comprised of one performance obligation. Management also applied judgement to determine that the performance obligation is satisfied over time.

(Expressed in Canadian Dollars)

5. ACQUISTION OF PROGRESSUS

On January 6, 2023, the Company entered into a share exchange agreement with two vendors to acquire 50.05% of the issued and outstanding common shares of Progressus Clean Technologies, Inc. ("Progressus"). The acquisition of Progressus was an important step to acquire intellectual property that has the potential to directly improve the efficiency of ammonia production. The intellectual property of Progressus will enable the Company in achieving greater vertical integration and decreasing its system expenses. As consideration for the Progressus shares, the Company issued an aggregate of 50,000,000 common shares of the Company.

Concurrent with the acquisition, the vendors agreed to provide to the Company an aggregate convertible loans of $500,000 for working capital purposes as follows:

a) $250,000 on the closing of the transaction; and
b) $250,000 on the date that is 30 days following the closing of the transaction

The convertible loans bear interest at 10 per cent per annum, mature 12 months from the date of agreement and are convertible into the Company's shares at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2023, the Company received a total of $500,000 in convertible loans (Note 10).

At the date of acquisition, the Company determined that Progressus assets did not constitute a business defined under IFRS 3, Business Combinations, and as such, the acquisition was accounted for as an asset acquisition. The consideration paid is accounted for in accordance with IFRS 2 share-based payments whereby the Company issued shares in exchange for the net assets of Progressus.

The fair value of the 50,000,000 common shares issued ($17,250,000) was determined based on the share price of the Company on the acquisition date. The consideration was allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The purchase price was allocated as follows:

Fair value of consideration	$	17,250,000
Allocated to the fair value of net assets acquired:		
Cash	$	21,254
Prepaid expenses		13,486
Accounts payable and accrued liabilities		(91,760)
Intangible assets		34,522,554
Less: portion allocated to non-controlling interest		(17,215,534)
Total net assets acquired	$	17,250,000

At the time of acquisition, the intangible assets were in an early stage of research and development, with significant uncertainties surrounding its future market demand, sales price and production costs, and as such, on January 6, 2023, the Company recognized an impairment loss of $34,522,554. The recoverable amount of $Nil was determined utilizing a five-year discounted cash flow model ("DCF") using a strategic plan based on management's expectations of market growth, industry reports and trends, and historical costs. These projections are inherently uncertain due to the growth-oriented strategies of the Company and the emerging market. The DCF model included projections surrounding revenue, cost of sales expenses, discount rate and revenue terminal growth rates of 31%. As at January 6, 2023 the discount rate used to calculate the fair value of this investment was 33%, reflecting specific risks and market conditions.

6. DEPOSITS

Deposits are comprised of $626,663 (May 31, 2022 - $918,459) on the purchases of various equipment intended for resale.

(Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fixtures	Equipment	Computer Equipment	Leasehold Improvements	Total
Cost					
Balance at May 31, 2021	$ -	$ -	$ -	$ -	$ -
Additions	27,242	367,204	47,318	178,578	620,342
Balance at May 31, 2022	27,242	367,204	47,318	178,578	620,342
Additions	-	53,546	-	3,897	57,443
Foreign Exchange	1,784	28,720	3,573	5,007	39,084
Balance at May 31, 2023	$ 29,026	$ 449,470	$ 50,891	$ 187,482	$ 716,869
Accumulated Depreciation					
Balance at May 31, 2021	$ -	$ -	$ -	$ -	$ -
Depreciation	2,473	16,478	5,355	13,502	37,808
Balance at May 31, 2022	2,473	16,478	5,355	13,502	37,808
Depreciation	4,354	50,112	10,084	27,887	92,437
Foreign Exchange	150	1,244	404	95	1,893
Balance at May 31, 2023	$ 6,977	$ 67,834	$ 15,843	$ 41,484	$ 132,138
Net Book Value					
At May 31, 2022	$ 24,768	$ 350,726	$ 41,964	$ 165,076	$ 582,534
At May 31, 2023	$ 22,048	$ *381,636	$ 35,048	$ 145,999	$ 584,731

* As at May 31, 2023, equipment included $41,006 (May 31, 2022 - $Nil) of asset not in use and during the year ended May 31, 2023, no depreciation was recorded.

8. EXPLORATION AND EVALUATION ASSETS

	Whabouchi Property	Titan Gold Property	Total
Balance as at May 31, 2021	$ 8,707	$ 40,000	$ 48,707
Impairment of mineral property	-	(40,000)	(40,000)
Balance, as at May 31, 2022 and May 31, 2023	$ 8,707	$ -	$ 8,707

There were no general exploration expenditures for the year ended May 31, 2023.

General exploration expenditures for the year ended May 31, 2022:

	Whabouchi Property	Total
Geological	$ 53,625	$ 53,625
Balance, for the year ended May 31, 2022	$ 53,625	$ 53,625

8. EXPLORATION AND EVALUATION ASSETS – (cont'd)

Titan Gold Property

By a mineral property option agreement dated May 7, 2020, the Company may acquire up to a 100% interest in the Klotz Lake Property. This property consists of 34 mineral tenures and is located in the Klotz Lake Area Northwestern Ontario. As consideration the Company will pay cash of $140,000 ($40,000 paid), issue 1,800,000 common shares of the Company and incur $360,000 in exploration expenditures.

Should the Company acquire 100% of the property the optionor will retain a 2% Net Smelter Returns ("NSR") royalty. 1% of this royalty may be purchased by the Company for $500,000.

During the year ended May 31, 2022, the Company has decided to not proceed with the Titan Gold Property and has recorded an impairment of $40,000.

Whabouchi Property

On March 31, 2021, the Company completed the acquisition of all of the outstanding common shares of AmTek. As consideration, the Company issued 12,000,000 common shares of the Company fair valued at $0.95 per share and discounted using the average strike put-option model, which resulted in a present value of $8,753,000 on acquisition date. AmTek is the owner of the Whabouchi South lithium exploration property located in the James Bay/Eeyou Istche region of Quebec and is working on the development of a proprietary technology to produce green ammonia, a potential carbon-free energy source. The transaction was accounted for as an asset acquisition on the basis that AmTek does not meet the definition of a business as it had no ongoing business operations. Accordingly, the acquisition is accounted for in accordance with IFRS 2 Share-based payment whereby the Company issued shares in exchange for the net assets of AmTek. A fair value of $8,707 was allocated to the Whabouchi property as part of the purchase price allocation. The Company also issued 960,000 common shares as finders fee which was valued at $912,000.

On July 20, 2023, the Company entered into an asset purchase agreement with Consolidated Lithium Metals Inc.("Consolidated Lithium"), a company with common officers, whereby Consolidated Lithium acquires 100% of the Whabouchi Property. As consideration, Consolidated Lithium will pay $50,000 in cash (received). There is a 1% NSR of which Consolidated Lithium has the option to repurchase at any time for $250,000.

9. RIGHT OF USE ASSETS AND LEASE LIABILITIES

On July 14, 2021, the Company entered into a general office lease agreement in Toronto, Ontario. The lease is for five years, with an option to renew for another 5 years, commencing on August 1, 2021, with the first payment due on October 1, 2021. The annual cost of the monthly payment is $144,000 per annum. The Company paid a deposit of $36,000 which represents first and last months' rent and a security deposit ($12,000). The Company applied the first and last month's payments against the lease liability and recorded the security deposit in prepaid expenses and deposit. In accordance with IFRS 16, the Company recognized a right-of-use asset and lease liability on the lease commencement date.

On August 2, 2021, the Company entered into an agreement to lease a facility in Michigan, USA. The lease has an 86-month term with an optional 5-year extension and the first payment commencing October 1, 2021. The annual cost of the monthly payment is US$179,304, which will increase by 3% annually. In accordance with IFRS 16, the Company recognized a right-of-use asset and lease liability on the lease commencement date.

(Expressed in Canadian Dollars)

9. RIGHT OF USE ASSETS AND LEASE LIABILITIES – (cont'd)

Right of use assets	May 31, 2023	May 31, 2022
Balance, opening	$ 1,450,843	$ -
Additions	-	1,674,000
Depreciation	(274,296)	(218,716)
Foreign exchange	74,963	(4,441)
Balance, ending	$ 1,251,510	$ 1,450,843

On July 26, 2022, the Company entered into a sublease agreement to sublease an area of two-thirds of the Toronto lease property. The sublease is for five months, with an option to extend the term for an additional one year. During the year ended May 31, 2023, the Company recognized a lease income of $55,000 (May 31, 2022 - $Nil) and the sublease is classified as an operating lease.

On October 1, 2022, the Company entered into a sublease agreement to sublease an area of one-third of the Toronto lease property. The sublease is for one year, ending on October 31, 2023. During the year ended May 31, 2023, the Company recognized a lease income of $30,968 (May 31, 2022 - $Nil) and the sublease is classified as an operating lease.

The lease liability was measured at the present value of the remaining lease payments for the respective leases with terms of five and seven years and discounted using the Company's incremental borrowing rate of 12% per annum.

Lease liabilities	May 31, 2023	May 31, 2022
Balance, opening	$ 1,569,119	$ -
Lease liability addition	-	1,674,000
Prepaid lease payments	-	(24,000)
Lease payments	(392,793)	(235,189)
Interest accretion	187,151	158,388
Foreign exchange	81,878	(4,080)
Balance, ending	$ 1,445,355	$ 1,569,119
Current portion	$ 248,686	$ 205,633
Long Term	1,196,669	1,363,486
Balance, ending	$ 1,445,355	$ 1,569,119

The maturity analysis of the undiscounted contractual balances of the lease liabilities is as follows:

Maturity analysis	May 31, 2023	May 31, 2022
Less than one year	$ 400,253	$ 375,326
One to three years	1,139,821	1,168,453
Four to seven years	362,844	633,727
Total undiscounted lease liabilities	1,902,918	2,177,506
Amount representing implicit interest	(457,563)	(608,387)
Lease liabilities	$ 1,445,355	$ 1,569,119

(Expressed in Canadian Dollars)

10. CONVERTIBLE LOANS

	May 31, 2023	May 31, 2022
Balance, opening	$ -	$ -
Additions	500,000	-
Interest expense	16,507	-
Balance, ending	$ 516,507	$ -

On January 6, 2023, the Company entered into a convertible loan agreement with Forbes & Manhattan, Inc. for a principal amount of $250,000. The note will mature on January 6, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from January 6, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2023, the Company accrued interest of $9,932.

On February 3, 2023, the Company entered into a convertible loan agreement with Forbes & Manhattan, Inc. for a principal amount of $100,000. The note will mature on February 3, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from February 3, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2023, the Company accrued interest of $3,206.

On March 10, 2023, the Company entered into a convertible loan agreement with Aberdeen International Inc. for a principal amount of $150,000. The note will mature on March 10, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from March 10, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2023, the Company accrued interest of $3,369. An officer of the Company, Ryan Ptolemy, is an officer of Aberdeen International Inc.

Since the terms of the conversion feature result in a variable number of common shares issued if it is exercised, the convertible loans are classified as a financial liability at amortized cost.

11. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued

During the year ended May 31, 2023:

On September 26, 2022, the Company closed its first tranche non-brokered private placement and issued 4,769,739 units at a price of $0.23 per unit for total proceeds of $1,097,040. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.31 per share expiring on September 26, 2024. In connection with the offering, the Company paid a cash finders fee of $62,750 and issued 342,396 finders' warrants. Each agents' warrant is exercisable into one common share at a price of $0.31 per share expiring on September 26, 2024. These agents' warrants were fair valued at $34,240 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.75%; dividend yield of 0%; volatility of 95.95% and expected life of two years and a stock price of $0.23.

On October 24, 2022, the Company closed its second tranche non-brokered private placement and issued 772,174 units at a price of $0.23 per unit for total proceeds of $177,600. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.31 per share expiring on October 24, 2024. In connection with the offering, the Company paid a cash finders fee of $20,000. The Company also recognized an additional share issue cost of $28,928 for legal and professional fees related to the financing.

On January 6, 2023, the Company acquired 50.05% of Progressus by issuing 50,000,000 common shares to shareholders of Progressus for a total fair value of $17,250,000 (Note 5).

On March 30, 2023, the Company issued 60,267 common shares to settle debt of $13,259 resulting in a gain on debt settlement of $301.

During the year ended May 31, 2023, the Company issued 2,000 common shares for total proceeds of $200 pursuant to the exercise share purchase warrants.

During the year ended May 31, 2023, pursuant to the RSU Plan the Company issued 4,701,302 common shares in settlement of the RSU and transferred $1,628,516 from contributed surplus.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(b) Issued – (cont'd)

During the year ended May 31, 2022:

On June 4, 2021, the Company completed its private placement of 5,877,384 units at a price of $0.72 per unit for gross proceeds of $4,231,716 of which $301,536 was included in commitment to issue shares at May 31, 2021. Each unit consisted of one common share and one-half share purchase warrant. Each whole warrant is exercisable into one common share at a price of $1.00 per share expiring two years from issuance. In connection with the private placement, the Company paid a cash finders' fee of $145,303 and issued 189,560 agents' warrants exercisable at $1.00 per share for a period of two years from the date of issuance. These agents' warrants were fair valued at $60,659 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.45%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.72.

On July 16, 2021, the Company issued 215,547 common shares to settle debt of $318,023 resulting in a gain on debt settlement of $169,296.

On September 16, 2021, the Company issued 363,090 common shares for total proceeds of $217,854 pursuant to the exercise of agents' warrants and transferred $79,880 from contributed surplus.

On February 16, 2022, the Company completed its private placement of 7,142,858 units at a price of $0.42 per unit for gross proceeds of $3,000,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at a price of $0.52 per share expiring five years from issuance. In connection with the private placement, the Company paid a cash finders' fee of $396,104 and issued 571,429 agents' warrants exercisable at $0.42 per share for a period of five years from the date of issuance. These agents' warrants were fair valued at $234,286 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.79%; dividend yield of 0%; volatility of 100% and expected life of five years and a stock price of $0.42. The Company recorded an additional $24,795 in share issue cost.

During the year ended May 31, 2022, the Company issued 6,932,742 common shares for total proceeds of $2,762,904 pursuant to the exercise share purchase warrants with exercise prices between $0.05 to $0.60.

During the year ended May 31, 2022, pursuant to the RSU Plan the Company issued 5,937,153 common shares in settlement of the RSU and transferred $4,945,621 from contributed surplus.

(c) Share Purchase Warrants

The changes in warrants were as follows:

	May 31, 2023	Weighted Average Exercise Price	May 31, 2022	Weighted Average Exercise Price
Balance, beginning of year	15,395,401	$0.64	12,246,592	$0.48
Issued	5,541,913	0.31	10,081,551	0.66
Exercised	(2,000)	0.10	(6,932,742)	0.40
Expired	(100,200)	0.10	-	-
Balance, end of year	20,835,114	$0.55	15,395,401	$0.64

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(c) Share Purchase Warrants – (cont'd)

As at May 31, 2023, the Company had 20,835,114 share purchase warrants outstanding as follows:

Outstanding	Exercise Price	Weighted average remaining life	Expiry Date
*2,938,693	$1.00		June 3, 2023
5,211,650	$0.60		March 12, 2024
4,769,739	$0.31		September 26, 2024
772,174	$0.31		October 24, 2024
7,142,858	$0.52		February 16, 2027
20,835,114		1.83 years	

* Subsequent to May 31, 2023, 2,938,693 share purchase warrants were expired and unexercised.

(d) Agents Warrants

The changes in warrants were as follows:

	May 31, 2023	Weighted Average Exercise Price	May 31, 2022	Weighted Average Exercise Price
Balance, beginning of year	768,017	$0.56	370,118	$0.60
Issued	342,396	0.31	760,989	0.56
Exercised	-	-	(363,090)	0.60
Balance, end of year	1,110,413	$0.49	768,017	$0.56

As May 31, 2023, the Company had 1,110,413 agents' warrants outstanding as follows:

Outstanding	Exercise Price	Weighted average remaining life	Expiry Date
*189,560	$1.00		June 4, 2023
7,028	$0.60		March 12, 2024
342,396	$0.31		September 26, 2024
571,429	$0.42		February 16, 2027
1,110,413		2.33 years	

* Subsequent to May 31, 2023, 189,560 agents' warrants were expired and unexercised.

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation

On April 12, 2021, the Company adopted an equity incentive plan under which it is authorized to grant to officers, directors, employees and consultants stock options, RSU, and all other security based compensation arrangements enabling them to acquire up to 20% of the issued and outstanding common share of the Company. The options can be granted for a maximum of 10 years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

Stock Options

On April 22, 2021, the Company granted 1,125,000 stock options to directors and officers and consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.90 per share expiring on April 22, 2026. The stock option vest at 50% on April 22, 2021 and 25% April 22, 2022 and 2023 thereafter. The fair value of the stock options of $753,750 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.90; Risk-free interest rate of 0.93%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. The Company forfeited 200,000 stock options on January 21, 2023 and forfeited 350,000 stock options on April 30, 2023. During the year ended May 31, 2023, the Company recognized a reversal of $7,973 (May 31, 2022 – $262,523) in share-based payments.

On April 29, 2021, the Company granted 1,200,000 stock options to officers of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $1.15 per share expiring on April 29, 2026. The stock option vest at 50% on April 29, 2021 and 25% April 29, 2022 and 2023 thereafter. The fair value of the stock options of $1,020,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $1.15; Risk-free interest rate of 0.93%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. The Company forfeited 350,000 stock options on April 30, 2023. During the year ended May 31, 2023, the Company recorded $41,947 (May 31, 2022 – $392,630) in share-based payments.

On May 13, 2021, the Company granted 450,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $1.15 per share expiring on May 13, 2026. The stock option vest at 25% on the date of grant and 12.5% every three months thereafter. The fair value of the stock options of $382,500 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $1.15; Risk-free interest rate of 0.87%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $64,169 (May 31, 2022 – $254,392) in share-based payments.

On May 17, 2021, the Company granted 150,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $1.15 per share expiring on May 17, 2026. The stock option vest at 50% on May 17, 2021 and 25% May 17, 2022 and 2023 thereafter. The fair value of the stock options of $127,500 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $1.15; Risk-free interest rate of 0.87%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $15,326 (May 31, 2022 – $44,275) in share-based payment.

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Stock Options – (cont'd)

On May 25, 2021, the Company granted 150,000 stock options a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $1.27 per share expiring on May 25, 2026. The stock option vest at 12.5% on August 25, 2021 and every three months thereafter. The fair value of the stock options of $141,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $1.27; Risk-free interest rate of 0.87%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $25,123 (May 31, 2022 – $112,746) in share-based payments.

On May 25, 2021, the Company granted 75,000 stock options to a consultant. The stock options entitle the holders thereof the right to purchase one common share for each option at $1.27 per share expiring on May 25, 2026. The stock option vest at 50% on May 25, 2021 and 25% May 25, 2022 and 2023 thereafter. The fair value of the stock options of $75,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $1.27; Risk-free interest rate of 0.87%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $3,419 (May 31, 2022 – $23,870) in share-based payments.

On June 1, 2021, the Company granted 300,000 stock options to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at $1.46 per share expiring on June 1, 2026. The stock options vest at 12.5% every three months with the first vesting on September 1, 2021 and the last vesting on June 1, 2023. The fair value of the stock options of $324,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $1.46; Risk-free interest rate of 0.97%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $59,595 (May 31, 2022 – $264,350) in share-based payments.

On June 15, 2021, the Company granted 150,000 stock options to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at $2.07 per share expiring on June 15, 2026. The stock options vest at 12.5% every three months with the first vesting on September 15, 2021 and the last vesting on June 15, 2023. The fair value of the stock options of $231,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $2.07; Risk-free interest rate of 0.97%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $48,300 (May 31, 2022 – $182,081) in share-based payments.

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Stock Options – (cont'd)

On June 24, 2021, the Company granted 125,000 stock options to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at $1.55 per share expiring on June 24, 2026. The stock options vest at 12.5% every three months with the first vesting on September 24, 2021 and the last vesting on June 24, 2023. The fair value of the stock options of $143,750 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $1.55; Risk-free interest rate of 0.97%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $29,880 (May 31, 2022 – $113,281) in share-based payments.

On July 5, 2021, the Company granted 150,000 stock options to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at $1.26 per share expiring on July 5, 2026. The stock options vest at 12.5% every three months with the first vesting on October 5, 2021 and the last vesting on July 5, 2023. The fair value of the stock options of $139,500 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $1.26; Risk-free interest rate of 0.78%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $30,626 (May 31, 2022 – $108,041) in share-based payments.

On November 15, 2021, the Company granted 75,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.57 per share expiring on November 15, 2026. The stock options vest at 50% on the date of grant and 25% on November 15, 2022 and 2023 respectively. The fair value of the stock options of $32,250 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.57; Risk-free interest rate of 1.56%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $7,742 (May 31, 2022 – $22,653) in share-based payments.

On December 10, 2021, the Company granted 5,675,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.49 per share expiring on December 10, 2026. The stock options vest at 1/6 every three months with the first vesting on March 10, 2022 and the last on June 10, 2023, respectively. The fair value of the stock options of $2,099,750 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.49; Risk-free interest rate of 1.30%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. On January 21, 2023, the Company forfeited 250,000 stock options. During the year ended May 31, 2023, the Company recorded $755,185 (May 31, 2022 – $1,307,617) in share-based payments.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Stock Options – (cont'd)

On January 21, 2022, the Company granted 500,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.54 per share expiring on January 21, 2027. The stock options vest at 16.67% every three months with the first vesting on April 21, 2022 and the last on July 21, 2023, respectively. The fair value of the stock options of $200,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.54; Risk-free interest rate of 1.62%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $94,408 (May 31, 2022 – $102,480) in share-based payments.

On May 1, 2022, the Company granted 300,000 stock options to an officer of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.33 per share expiring on May 1, 2027. The stock options vest at 25,000 stock options every three months with the first vesting on May 1, 2022 and the last on February 1, 2025, respectively. The fair value of the stock options of $66,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.30; Risk-free interest rate of 2.60%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. On February 10, 2023, the Company forfeited 300,000 stock options. During the year ended May 31, 2023, the Company recorded $11,071 (May 31, 2022 – $10,929) in share-based payments.

On October 6, 2022, the Company granted 150,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.35 per share expiring on October 5, 2027. The stock options vest at 50,000 stock options on March 31, 2023 and 50,000 stock options every six months thereafter. The fair value of the stock options of $33,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.30; Risk-free interest rate of 3.41%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%, since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2023, the Company recorded $23,072 (May 31, 2022 – $Nil) in share-based payments.

The changes in stock options were as follows:

	May 31, 2023	**Weighted Average Exercise Price**	**May 31, 2022**	**Weighted Average Exercise Price**
Balance, beginning of year	11,675,000	$0.77	4,150,000	$1.09
Granted	150,000	0.35	7,525,000	0.60
Forfeited	(1,450,000)	0.67	-	-
Balance, end of year	10,375,000	$0.77	11,675,000	$0.77

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Stock Options – (cont'd)

As at May 31, 2023, the Company had 10,375,000 stock options outstanding as follows:

Outstanding	Vested	Exercise Price	Weighted Average remaining Life	Expiry Date
575,000	575,000	$0.90		April 22, 2026
1,850,000	1,850,000	$1.15		April 29, 2026
450,000	450,000	$1.15		May 13, 2026
150,000	150,000	$1.15		May 17, 2026
225,000	225,000	$1.27		May 25, 2026
300,000	262,500	$1.46		June 1, 2026
150,000	131,250	$2.07		June 15, 2026
125,000	109,375	$1.55		June 24, 2026
150,000	131,250	$1.26		July 5, 2026
250,000	250,000	$0.77		July 29, 2026
75,000	56,250	$0.57		November 15, 2026
5,425,000	4,729,172	$0.49		December 10, 2026
500,000	416,668	$0.54		January 21, 2027
150,000	50,000	$0.35		October 5, 2027
10,375,000	9,386,465		3.35 years	

Restricted Share Unit

On April 29, 2021, the Company granted 100,000 RSU to officers of the Company. The granted RSU shall vest 50% on the date of grant and 25% on April 29, 2022 and 2023 respectively. During the year May 31, 2023, the Company cancelled 50,000 (May 31, 2022 – Nil) unvested RSU and recognized a reversal of $15,635 (May 31, 2022 – expense of $40,604) to share-based payments.

On June 24, 2021, the Company granted 125,000 RSU to a consultant of the Company. The granted RSU shall vest 50% on June 24, 2022 and 50% on June 24, 2023. During the year ended May 31, 2023, the Company recognized $54,807 (May 31, 2022 – $135,758) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2023, 62,500 (May 31, 2022 – Nil) common shares were issued and as at May 31, 2023, 62,500 RSU have not been vested.

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Restricted Share Unit– (cont'd)

On July 7, 2021, the Company granted 1,500,000 RSU to an officer of the Company and a consultant of the Company. The granted RSU shall vest 1/3 on November 7, 2021 and every four months thereafter. During the year ended May 31, 2023, the Company recognized $57,782 (May 31, 2022 – $1,652,219) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2023, 166,667 (May 31, 2022 – Nil) common shares were issued and as at May 31, 2023, 1,000,000 vested RSU have been cancelled.

On July 7, 2021, the Company granted 825,000 RSU to directors of the Company and a consultant of the Company. The granted RSU shall vest on November 7, 2021. During the year ended May 31, 2022, the Company recognized $940,500 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2022, 825,000 common shares were issued.

On July 7, 2021, the Company granted 1,475,000 RSU to consultants of the Company. The granted RSU vested on the date of grant. During the year ended May 31, 2022, the Company recognized $1,681,500 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2022, 1,475,000 common shares were issued.

On January 11, 2022, the Company granted 3,500,000 RSU to an officer of the Company and to consultants of the Company. The granted RSU shall vest on May 12, 2022. During the year ended May 31, 2022, the Company recognized a fair value of $1,890,000 and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2022, the Company issued 3,000,000 common shares and as at May 31, 2023, 500,000 RSU have vested and have not been issued.

On October 6, 2022, the Company granted 622,135 RSU to a consultant of the Company. The granted RSU shall vest on October 7, 2022. During the year ended May 31, 2023, the Company recognized $186,640 (May 31, 2022 – $Nil) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2023, the 622,135 common shares were issued.

On October 6, 2022, the Company granted 1,050,000 RSU to a director of the Company. The granted RSU shall vest on March 31, 2023. During the year ended May 31, 2023, the Company recognized $315,000 (May 31, 2022 – $Nil) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2023, the 1,050,000 common shares were issued.

On October 6, 2022, the Company granted 4,100,000 RSU to directors and consultants of the Company. The granted RSU shall vest on October 12, 2022. During the year ended May 31, 2023, the Company recognized $1,230,000 (May 31, 2022 – $Nil) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2023, 2,800,000 common shares were issued and as at May 31, 2023, 1,300,000 (May 31, 2022 – Nil) RSU have vested and have not been issued.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(e) Share based compensation – (cont'd)

Restricted Share Unit – (cont'd)

The changes in RSU were as follows:

	May 31, 2023	May 31, 2022
Balance, beginning of year	1,891,667	400,000
Granted	5,772,135	7,441,320
Settled by issuance of shares	(4,701,302)	(5,937,153)
Cancelled	(1,050,000)	(12,500)
Balance, end of year	1,912,500	1,891,667

As at May 31, 2023, 1,850,000 RSU were vested but the shares were unissued.

During the year ended May 31, 2023, the Company recognized $1,828,594 (May 31, 2022 – $6,455,545) in share-based payments on RSU vested during the period and have transferred $1,628,516 (May 31, 2022 – $4,945,621) from contributed surplus to share capital upon the issuance of 4,701,302 (May 31, 2022 – 5,937,153) common shares.

Subsequent to May 31, 2023, the Company issued 1,500,000 common shares relating to settlement of RSU.

(f) Escrow Shares

Pursuant to an escrow agreement dated September 22, 2020, an aggregate of 2,050,000 (1,025,000 pre-forward split) common shares were placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date. As at May 31, 2023, 307,500 (May 31, 2022 – 922,500) common shares are in escrow with the next release on October 6, 2023.

12. LICENSE AGREEMENT

On August 10, 2022, the Company entered into an agreement with Blue Ocean Salt Corp. ("Blue Ocean") (formerly known as Clean Light Acquisition Corp), a company incorporated in BC, whereby, the Company has granted Blue Ocean licensing rights for North America, the United Kingdom and the European Union for a period of two years to use certain licensed technology bundled with Blue Ocean's products. The license will allow Blue Ocean to buy, use, sell, modify, create derivative works of, and distribute AmmPower's licensed technology only as a bundle with Blue Ocean's products. As consideration, Blue Ocean has agreed to pay US$200,000 in cash (received) and Blue Ocean will issue 5% of its issued and outstanding common shares to the Company which will be subject to escrow.

On April 4, 2023, Blue Ocean was acquired by Vortex Energy Corp. ("Vortex"). As part of the acquisition, Blue Ocean acknowledged the error in not issuing the shares to the Company and in a subsequent agreement agreed to issue 690,000 shares of Vortex between the date of the signed acknowledgment and the initial two-year licensing term. The shares will be issued with various hold periods in various tranches. As of May 31, 2023, the Company has not received the 690,000 shares and therefore, the 690,000 shares have not been included in the transaction price.

(Expressed in Canadian Dollars)

12. LICENSE AGREEMENT – (cont'd)

During the year ended May 31, 2023, the Company recognized as other income $92,197. The Company expects to recognize as revenue the remaining performance obligations represented by the deferred revenue balance of $162,863 as at May 31, 2023 in the next fifteen months.

The term of this agreement may be extended as follows:

a) additional three years for a total of five years for cash payment of US$500,000 and issue additional common shares of Blue Ocean representing 9.99% of the then issued and outstanding common shares of Blue Ocean;
b) additional five years for a total of ten years for cash payment of US$5,000,000;
c) additional five years for a total of fifteen years for cash payment of US$7,500,000;
d) additional five years for a total of twenty years for cash payment of US10,000,000; and
e) the term of the agreement may be extended for perpetuity by the Company for cash payment of US$25,000,000.

13. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	Relationship	2023	2022
Consulting fees			
Soumi Holdings Inc.	Rene Bharti, President	$ 240,000	$ 115,000
695809 B.C. Ltd.	Robert Krause, Former Director	-	8,000
Arthur Brown	Former Director	-	7,000
1196016 B.C. Ltd.	Faizaan, Lalani, Former CFO	-	110,000
		240,000	240,000
Wages and benefits			
Gary Benninger	CEO	320,540	182,849
Christopher Lilla	Former CFO	181,628	20,485
		502,168	203,334
Share-based payments			
Gary Benninger	CEO	1,189,755	2,179,020
Rene Bharti	President	300,000	-
Luisa Moreno	Director	97,814	51,240
Alia Comai	Director	92,204	51,240
Christopher Lilla	Former CFO	311,071	10,929
Faizaan Lalani	Former CFO	-	550,649
Arthur Brown	Former Director	-	89,080
Robert Krause	Former Director	-	89,080
		1,990,884	3,021,238
		$ 2,733,012	$ 3,464,572

13. RELATED PARTY TRANSACTIONS AND BALANCES – (cont'd)

Included in accounts payable and accrued liabilities as at May 31, 2023 was $473,340 (May 31, 2022 – $5,650) in unpaid consulting fees and wages to directors and officers and the former CFO of the Company and to companies controlled by directors or officers of the Company. The amounts are unsecured, non-interest bearing and payable on demand.

Due to related parties

Included in due to related parties at May 31, 2023 was $6,707 (May 31, 2022 – $6,707) owed to former directors of AmTek. The amount is unsecured, non-interest bearing and payable on demand.

On September 14, 2022, the Company issued a promissory note for proceeds of $100,000 to the president of the Company. The promissory note is unsecured, bears interest at 5% per annum and compounded monthly and was due on March 14, 2023. Subsequent to May 31, 2023, the maturity date was extended to January 14, 2024.

On March 20, 2023, the Company issued a promissory note for proceeds of $6,802 (US$5,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on September 19, 2023. Subsequent to May 31, 2023, the loan and interest was repaid.

On March 22, 2023, the Company issued a promissory note for proceeds of $27,206 (US$20,000) to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on September 21, 2023. Subsequent to May 31, 2023, the maturity date was extended to March 21, 2024.

On May 25, 2023, the Company issued a promissory note for proceeds of $68,015 (US$50,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on July 19, 2023, and can be extended 90 days to October 17, 2023.

During the year ended May 31, 2023, the Company accrued an aggregate interest of $3,618 for the promissory notes.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject to. Capital of the Company comprises of cash and shareholders' equity (deficit).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the year ended May 31, 2023.

15. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk
- Interest rate risk
- Price risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities except for lease liabilities (Note 9), convertible loans (Note 10) and promissory notes (Note 13) have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at May 31, 2023, the Company had a working capital deficiency of $2,308,425 (May 31, 2022 working capital – $731,563).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, foreign currency, commodity and equity prices. The Company's ability to raise capital to fund its operations is subject to risks associated with fluctuations in these market factors. Management closely monitors foreign exchange, commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest Rate Risk

The Company pays interest on its convertible notes at a fixed rate of 10% per annum and pays interest on its promissory notes at a fixed rate of 5% and 8% per annum. The Company does not have any material variable interest rates and is not exposed to any material interest rate risk on its debt instruments.

15. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)

Foreign Currency Risk

The Company may be exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, due to related parties and lease liabilities that are denominated in a foreign currency. As at May 31, 2023, the Company held cash denominated in US dollars of US$42,383 (May 31, 2022 – US$9,718), accounts payable and accrued liabilities of US$961,183 (May 31, 2022 – US$458,177), due to relate parties of US$75,000 (May 31, 2022 – US$Nil) and lease liabilities of US$772,873 (May 31, 2022 – US$857,360) translated at US$1 for every $1.36. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the profitability of the Company. A 10% change in the exchange rate would change other comprehensive income/loss by approximately $240,000.

The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Credit Risk

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash, accounts payable and accrued liabilities, due to related parties, convertible loans and lease liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their nature.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and

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 (unobservable inputs).

The Company did not have any financial instrument carried at fair value as at May 31, 2023 and 2022.

(Expressed in Canadian Dollars)

16. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

		2023		2022
Loss before income taxes	$	(41,786,002)	$	(20,518,786)
Statutory income tax rates		27%		27%
Expected tax recovery	$	(11,282,200)	$	(5,540,000)
Permanent differences		9,646,200		1,312,000
Change in unrecognized tax benefits not recognized		1,636,000		4,228,000
Total current and deferred income tax recovery	$	-	$	-

The significant components of the Company's deductible temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	Expiry		2023	Expiry		2022
Non-capital losses	2041-2043	$	21,209,000	2040-2042	$	17,901,000
Share issue costs	2027		491,000	2026		546,000
Capital asset	None		73,000	None		38,000
Leases	None		193,000	None		118,000
SR&ED	None		540,000	None		502,000
Deferred compensation (RSU)	None		1,993,000	None		1,793,000
Mineral properties	None		1,898,000	None		1,898,000
Total		$	26,397,000		$	22,796,000

(Expressed in Canadian Dollars)

17. SEGMENTED INFORMATION

The Company operates in one business segment: which is the development of a proprietary technology to produce green ammonia, a carbon-free fertilizer and energy carrier.

Geographic information with respect to the Company's assets is as follows:

	May 31, 2023	May 31, 2022
Canada	$ 441,472	$ 570,845
United States	1,403,476	1,471,239
Total long-term assets	$ 1,844,948	$ 2,042,084

	May 31, 2023	May 31, 2022
Canada	$ 702,592	$ 1,279,888
United States	2,128,357	2,461,099
Total assets	$ 2,830,949	$ 3,740,987

Geographic information with respect to the Company's liabilities is as follows:

	May 31, 2023	May 31, 2022
Canada	$ 2,025,104	$ 666,934
United States	2,460,390	1,663,892
Ireland	5,601	-
Total liabilities	$ 4,491,095	$ 2,330,826

Geographic information with respect to the Company's net loss is as follows:

	May 31, 2023	May 31, 2022
Canada	$ 4,135,916	$ 17,677,651
United States	37,644,485	2,841,135
Ireland	5,601	-
Net loss for the year	$ 41,786,002	$ 20,518,786

(Expressed in Canadian Dollars)

18. NON-CONTROLLING INTERESTS

On January 6, 2023, the Company acquired 50.05% of the issued and outstanding common shares of Progressus (See Note 5).

As at May 31, 2023 and 2022, the non-controlling interest consisted of the following:

	May 31, 2023	May 31, 2022
Portion allocated to NCI on acquisition (Note 5)	$ 17,215,534	$ -
Net loss attributable to NCI	(17,248,023)	-
Non-controlling interest	$ (32,489)	$ -

The following are the summarized statements of financial position of Progressus as at May 31, 2023 and 2022:

	May 31, 2023	May 31, 2022
Assets	$ 25,552	$ -
Liabilities	(90,595)	-
Total net assets (liabilities)	(65,043)	-
Total net assets (liabilities) allocated to NCI	$ (32,489)	$ -

The following table summarizes the comprehensive loss incurred by Progressus for the years ended May 31, 2023 and 2022:

	2023	2022
Loss before other items	$ (8,023)	$ -
Other items	(34,522,554)	-
Net loss	(34,530,577)	-
Other comprehensive loss	(644)	-
Comprehensive loss	(34,531,221)	-
Comprehensive loss allocated to NCI	$ 17,248,345	$ -

(Expressed in Canadian Dollars)

19. CHANGES IN LIABILITIES FROM FINANCING ACITIVITIES

	May 31, 2021	Cash flows	Non-cash changes			May 31, 2022
			Acquisition	Interest Accretion/accruals	Foreign exchange movements	
	$	$	$	$	$	$
Convertible loans	-	-	-	-	-	-
Lease liabilities	-	(259,189)	1,660,410	158,388	9,510	1,569,119
Total	**-**	**(259,189)**	**1,660,410**	**158,388**	**9,510**	**1,569,119**

	May 31, 2022	Cash flows	Non-cash changes			May 31, 2023
			Acquisition	Interest Accretion/accruals	Foreign exchange movements	
	$	$	$	$	$	$
Convertible loans	-	500,000	-	16,507	-	516,507
Lease liabilities	1,569,119	(392,793)	-	187,151	81,878	1,445,355
Total	**1,569,119**	**107,207**	**-**	**203,658**	**81,878**	**1,961,862**

20. SUBSEQUENT EVENTS

Subsequent to May 31, 2023:

On June 5, 2023, the Company granted 2,000,000 RSU to employees of the Company. The granted RSU shall vest 50% on June 5, 2023 and the remaining 50% shall vest on June 1, 2024. On June 8, 2023, 1,000,000 common shares were issued to settle the vested RSU.

On July 1, 2023, the Company granted 100,000 stock options to a consultant of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option at $0.165 per share expiring on June 30, 2028. The stock options vest at 50,000 on July 1, 2023 and the remaining 50,000 on July 1, 2024, respectively.

On July 1, 2023, the Company granted 100,000 RSU to a consultant of the Company. The granted RSU shall vest 50% on November 2, 2023, and the remaining 50% shall vest on November 2, 2024.

On July 24, 2023, the Company granted 1,500,000 stock options to a consultant of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option at $0.15 per share expiring on July 24, 2024. The stock options vest on grant date. On July 26, 2023, 1,500,000 were exercised. On September 19, 2023, 1,500,000 shares were returned to treasury.

On August 16, 2023, the Company issued a promissory note for proceeds of $10,500 to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on February 15, 2024.

On September 21, 2023, the Company issued a promissory note for proceeds of US$85,000 to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on February 20, 2024.

Subsequent to May 31, 2023, the CFO of the Company loaned $78,008 for advances on working capital. These amounts are non-interest bearing, unsecured and payable on demand.