INTERIM FINANCIAL STATEMENTS

1ST QUARTER END
MARCH 31, 2022

Delta
CLEANTECH
CAPTURING SUSTAINABILITY

To the Shareholders of Delta CleanTech Inc.
(“Delta” or the “Corporation”)

Management’s Accountability for Management’s Discussion and Analysis and Consolidated Financial Statements

The unaudited condensed consolidated interim financial statements for the period ending March 31, 2022 (“**Financial Statements**”) have been prepared by management in accordance with International Financial Reporting Standards in Canada. Management is responsible for ensuring that these Financial Statements, which include amounts based upon estimates and judgment, are consistent with other information and operating data contained in management’s discussion and analysis for the period ending March 31, 2022 (“**MD&A**”) and reflect Delta’s business transactions and financial position.

Management is also responsible for the information disclosed in the MD&A, including responsibility for the existence of appropriate information systems, procedures and controls, to ensure that the information used internally by management and disclosed externally is complete and reliable in all material respects.

In addition, management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Corporation’s assets are appropriately accounted for and adequately safeguarded.

The board of directors (“**Board**”) annually appoints an audit committee which includes directors who are not employees of the Corporation. This committee meets regularly with management and the shareholders' auditors to review significant accounting, reporting and internal control matters. The shareholders' auditors have unrestricted access to the audit committee. The audit committee reviews the interim and annual financial statements, the report of the shareholders' auditors, and the interim and annual management’s discussion and analysis and has delegated authority to approve the interim filings and makes recommendations to the Board regarding annual filings.

Management has reviewed the filings of the Corporation’s MD&A, Financial Statements and attachments thereto. Based on our knowledge, having exercised reasonable diligence, these filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, with respect to the period covered by the interim filings. Based on our knowledge, having exercised reasonable diligence, the Financial Statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, the financial performance, and cash flows of the Corporation, as of the date of and for the periods presented in the interim filings.

Signed “Jeffrey Allison”	*Signed “Jacelyn Case”*
JEFF ALLISON	**JACELYN CASE**
PRESIDENT & CEO	**CFO**

NOTICE TO READER OF THE

UNAUDITED INTERM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements for the three-month period ending March 31, 2022, have been prepared by management in accordance with the International Financial Reporting Standards and have not been reviewed by the auditor of **Delta CleanTech Inc**.

Signed "Jeffrey Allison"
JEFFREY ALLISON
PRESIDENT

Unaudited Interim Condensed Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Note	March 31, 2022	Audited December 31, 2021
ASSETS			
Current Assets:			
Cash		$ 403,397	$ 759,915
Investments	6	3,000,000	3,500,000
Accounts receivable and accrued receivables	18	136,777	19,646
Government receivables		7,556	43,844
Prepaid expenses and deposits	5	23,059	36,309
		3,570,789	4,359,714
Investments	6	247,453	198,255
Property, plant and equipment	7	30,656	32,004
Right-of-use assets	8	40,117	52,152
Patents	9	51,322	11,910
Intangible assets	10	2,449,741	2,513,166
Goodwill	11	365,622	365,622
Total assets		$ 6,755,700	$ 7,532,823
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	18	$ 146,125	$ 326,198
Current portion of lease liability	12	36,577	48,591
		182,702	374,789
Lease liability	12	4,390	4,390
Total liabilities		187,092	379,179
EQUITY			
Equity:			
Share capital	13	9,043,155	8,993,655
Warrants	14	1,375,594	1,375,594
Contributed surplus	14,15	1,208,523	1,042,631
Accumulated deficit		(800,428)	(4,258,236)
Total equity		6,568,608	7,153,644
Total liabilities and equity		$ 6,755,700	$ 7,532,823

The accompanying notes are an integral part of these Financial Statements.

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

(Expressed in Canadian dollars)

For the period ended	Note	March 31, 2022	March 31, 2021
Revenue			
Engineering, process design and consulting		$ 116,700	$ 25,000
Expenses			
Engineering, process design and consulting		46,561	8,509
Operating wages and benefits		125,732	55,883
Consulting and contractor costs		148,265	138,678
Business development		87,750	80,946
Share issuance costs		-	280,050
General and administrative		269,673	138,025
Amortization	7,8,9,10	78,701	47,466
		756,620	749,558
Operating loss		(639,982)	(724,558)
Interest income		6,109	-
Interest expense	12	(361)	(464)
Net interest income (expense)		5,748	(464)
Stock compensation expense	15	(215,392)	-
Fair value gain (loss) on Common Shares	6	49,198	(29,147)
Loss before taxes		(800,428)	(754,169)
Income tax expense		-	-
Net loss and comprehensive loss for the period		**$ (800,428)**	**$ (754,169)**
Loss per share – basic and diluted*	16	$ (0.01)	$ (0.03)

*Fully diluted earnings per share is not presented when there is a loss as the impact would be anti-dilutive.

The accompanying notes are an integral part of these Financial Statements.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Note	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
Balance, December 31, 2020		**100**	**$ 10**	**$ -**	**$ -**	**$ -**	**$ 10**
Private placement		38,523,000	6,356,295	1,348,305	-	-	7,704,600
Broker warrants		-	-	167,850	-	-	167,850
Business acquisition	13	20,000,000	3,300,000		-	-	3,300,000
Share issuance cost	13	-	(662,650)	(140,561)	-	-	(803,211)
Options and RSU's issued	15	-	-		1,042,631	-	1,042,631
Net loss		-	-		-	(4,258,236)	(4,258,236)
Balance, December 31, 2021		**58,523,100**	**$ 8,993,655**	**$ 1,375,594**	**$ 1,042,631**	**$ (4,258,236)**	**$ 7,153,644**
Options and RSU's issued	15	-	-	-	215,392		215,392
RSU's exercised	15	300,000	49,500	-	(49,500)	-	-
Net loss		-	-	-	-	(800,428)	(800,428)
Balance, March 31, 2022		**58,823,100**	**9,043,155**	**1,375,594**	**1,208,523**	**5,058,664**	**6,568,608**

The accompanying notes are an integral part of these Financial Statements.

Unaudited Interim Condensed Consolidated Statement of Cash Flows

(Express in Canadian dollars)

For the period ended	Note	March 31, 2022	March 31, 2021
Cash flows used in operating activities:			
Net loss		$(800,428)	$ (754,169)
Items not affecting cash:			
Amortization	7,8,9,10	78,701	47,466
Interest expense		361	-
Stock compensation expense		215,392	-
Fair value loss on listed Common Shares	6	(49,198)	29,147
Change in working capital and other	17	(247,666)	88,450
		(802,838)	(589,106)
Cash flows used in investing activities:			
Purchase of property and equipment	6	(1,559)	(6,183)
Purchase of patents	9	(39,746)	(1,983)
Lease payment	12	(12,375)	(8,250)
GIC redemption (purchase)	6	500,000	(4,000,000)
Purchase of investment in Plexus	6	-	(100,000)
		446,320	(4,116,416)
Cash flows from financing activities:			
Private placement		-	7,326,094
Funds held in trust		-	(114,671)
		-	7,211,423
Increase (decrease) in cash during the period		(356,518)	2,506,365
Cash – beginning of year		759,915	10
Cash – end of period		403,397	$ 2,506,375

The accompanying notes are an integral part of these Financial Statements.

(Express in Canadian dollars)

1) Operations

Delta CleanTech Inc. ("**Delta**" or "**Corporation**") was incorporated on December 22, 2020, under the Business Corporations Act *Alberta* and is domiciled in Canada. The registered office of the Corporation is located at #2308 Palisade Dr. SW, Calgary, AB, T2V 3V1.

The principal activity of the Corporation consists of four main areas: 1) CO_2 capture; 2) hydrogen production; 3) solvent and ethanol purification; and 4) carbon credit certification and trading (collectively the "**Business Sectors**"). These Business Sectors will be accomplished by capitalizing on the Corporation's patented process design intellectual property ("**IP**"), as well as its CO_2 capture and related solvent IP, whose focused mandate will be on positioning itself as a leading technology provider in the clean energy technology sector.

The Corporation operates primarily in one principal business, that being CO_2 capture, hydrogen production, solvent and ethanol purification and carbon credit certification and trading. The Corporation's Chief Operating Decision-Maker (CODM) is the President. The CODM is the highest level of management responsible for assessing the Company's overall performance and making operational decisions such as resource allocations related to operations, product prioritization, and delegation of authority. Management has determined that the Corporation operates in a single operating and reportable segment, and all of the Corporation's operations are within Canada.

2) Significant event

On January 19, 2022, DELTA expanded its listing of its common shares ("**Common Shares'**") to began trading on the OTCQB Venture Marketplace ("OTCQB"), a U.S. trading platform that is operated by the OTC Markets Group in New York under the symbol "DCTIF".

Subsequent to and during the period ending March 31, 2022 (the "**Period**"), there was a continued global outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on Delta as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Corporation anticipates this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Corporation's business and financial condition.

4) Basis of Presentation

a) Statement of Compliance

These unaudited interim condensed consolidated financial statements of the Corporation as at March 31, 2022 and for the three-month period ended March 31, 2022 (the "**Financial Statements**") have been prepared by management in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and with interpretation of the International Financial Reporting Interpretations Committee ("**IFRIC**"). These financial Statements meet the requirements of International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting".

These Financial Statements were authorized for issuance by the audit committee of the Board of Directors ("Board") May 27, 2022.

b) Functional Currency

The Financial Statements are presented in Canadian dollars, which is the Corporation's functional currency.

c) Principles of consolidation

Subsidiaries are entities controlled by the Corporation. The financial statements of the subsidiaries are included in the Financial Statements from the date that control commences until the date that control ceases.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions are eliminated in preparing the Financial Statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The Financial Statements include the accounts of Delta, consolidated with those of its wholly owned subsidiary CO_2 Technologies Pty. Ltd. ("**CO_2 Technologies**"). All inter-company transactions, balances, revenues, and expenses have been eliminated on consolidation.

d) Use of Estimates and Judgment

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the Financial Statements ("**Notes**"), as appropriate.

Significant accounting judgements

Fair value measurement of financial instruments
When the fair value of financial assets recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow method. The inputs to these models are taken from observable markets where possible.

Asset impairment
The carrying amounts of the Corporation's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and compared to the carrying amount of the cash generating unit ("**CGU**") to which the asset belongs. There was no impairment during the Period.

Estimated useful lives of patents and intangibles
Amortization of patents and intangibles are dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Stock compensation and warrants
The Corporation utilizes the Black-Scholes Option Pricing Model to determine the fair value of stock compensation and warrants issued as part of the Units. The Corporation uses judgment in the evaluation of the input variables in the Black-Scholes Calculation which includes: estimates of the future volatility of the Corporation's share price, forfeiture rates, expected lives of the underlying security, expected dividends and other relevant assumptions.

4) Summary of significant accounting policies

a) Financial instruments

Classification and Measurement
The Corporation classifies and measures financial assets based on their contractual cash flow characteristics and the Corporation's business model for the financial asset. All financial assets and financial liabilities are recognized at fair value in the consolidated statements of financial position when the Corporation becomes party to the contractual provisions of a financial instrument or non-financial derivative contract. Subsequent to initial recognition, financial assets must be classified and measured at either amortized cost, at fair value through profit or loss ("**FVTPL**"), or at fair value through other comprehensive income ("**FVTOCI**").

The Corporation classifies its financial instruments as follows:

Financial Instrument	Classification
Financial assets	
Cash	FVTPL
Investments	FVTPL
Accounts receivable	Amortized cost

Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

Financial assets

Impairment of financial assets
The expected credit loss model requires entities to account for expected credit losses on financial assets, other than financial assets measured at FVTOCI, at the date of initial recognition, and to account for changes in expected credit losses at each reporting date to reflect changes in credit risk. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Corporation's management reviewed and assessed its existing financial assets for impairment using reasonable and supportable information to determine the credit risk of the respective items at the date they were initially recognized and compared that to the credit risk as at March 31, 2022. The assessment of changes in credit risk resulted in an immaterial impact on the Consolidated Statement of Financial Position.

Derecognition of financial assets
The Corporation derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Recognition and initial measurement
The Corporation recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Corporation measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Classification and subsequent measurement
Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities
The Corporation derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

b) Cash

Cash includes balances in banks and cash on hand.

c) Foreign Currency Translation

The Corporation translates monetary assets and liabilities using the rate of exchange at the Financial Statement date and non-monetary assets liabilities using the historical exchange rate at the transaction date. Revenues and expenses are translated using the average exchange rate in effect for the period or year.

d) Property, Plant and Equipment

The initial cost of an asset is comprised of its purchase price or construction cost, borrowing costs and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the amount paid and the fair value of any other consideration given to acquire the asset. Long-lived assets are tested for recoverability if events or changes in circumstances indicate that the carrying amount may not be recoverable. Asset values are comprised of cost less accumulated amortization and impairment if required.

Assets are amortized over their estimated useful lives as follows:

Equipment and vehicles	30% declining balance
Leasehold improvements	3 years straight-line

e) Impairment of Assets

<u>Non-Financial and Intangible Assets</u>

The carrying amounts of the Corporation's property, plant and equipment, product development costs, patents and intangible assets having a finite useful life are assessed for impairment indicators at least on an annual basis to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or group of assets' estimated fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable independent cash inflows (CGUs).

Where an impairment loss is subsequently reversed, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Assets that have an indefinite useful life and goodwill are not subject to amortization and are tested for impairment at least on an annual basis or earlier when there is an indication of potential impairment.

f) Patents

Costs associated with registration of patents are accumulated at cost and when registration is complete, amortized on a straight-line basis over 15 years.

g) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful 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 method and amortization period of an intangible asset with a finite useful life are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives, which include brand names, are not amortized, but are tested for impairment annually, either individually or at the CGU 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.

Internally generated intangible assets are capitalized when the product or process is technically and commercially feasible and the Corporation has sufficient resources to complete development. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Expenditures incurred to develop new demos and prototypes are recorded at cost as internally generated intangible assets. Amortization of the internally generated intangible assets begins when the development is complete and the asset is available for use and it is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment at least annually.

Finite-life intangible assets are amortized over their estimated useful lives as follows:

Delta Reclaimer® System	10 years
LCDesign® CCS	10 years
PDOengine®	10 years
Carbon RX™ IP	20 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of income when the asset is derecognized.

h) Research and Development

Research costs are expensed as they are incurred in accordance with specific criteria set out under IFRS. Product development costs are expensed as incurred, except if the costs are related to the development and setup of new products, processes, and systems, and satisfy certain conditions for capitalization, including reasonable assurance that they will be recovered. All capitalized development costs are amortized when commercial production begins, based on the expected useful life of the completed product. The carrying value of capitalized development costs are examined for recoverability annually.

i) Leases

At the inception of a contract, the Corporation considers whether the contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Corporation assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation;
- the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Corporation has the right to direct the use of the identified asset throughout the period of use; and
- the Corporation assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Right-of-use assets are amortized over the term of the lease.

<u>Recognition and measurement</u>

At the lease commencement date, the Corporation recognizes a right-of-use asset and a lease liability on the statement of financial position. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred, estimated costs to dismantle or remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Corporation depreciates the right-of-use asset on a straight-line basis to the earlier of the useful life of the asset, or the end of the lease term. The Corporation also assessed the right-of-use asset for impairment when indicators exist.

At the commencement date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Corporations incremental rate of borrowing.

Lease payments included in the measurement of the lease liability include fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest.

k) **Revenue Recognition**

The Corporation's revenues from contracts with customers are derived from engineering, processing, design and consulting services.

To determine whether to recognize revenue, the Corporation follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognizing revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time or over time, when (or as) the Corporation satisfies performance obligations by transferring the promised goods or services to its customers. Revenue for engineering processing design and consulting services are recognized over time as the service is provided.

Performance Obligations
Each promised good or service is accounted for separately as a performance obligation, if it is distinct.

Transaction Price
The Corporation allocates the transaction price in the contract to each performance obligation. Transaction price allocated to performance obligations may include variable consideration. Variable consideration is included in the transaction price for each performance obligation when it is highly probable that a significant reversal of the cumulative variable revenue will not occur. Variable consideration is assessed at each reporting period to determine whether the constraint is lifted. The consideration contained in some of the Corporation's contracts with customers has a variable component, and may include both variability in quantity and pricing, such as: revenues can be dependent upon the quantity handled or the number of days any product is stored.

When multiple performance obligations are present in a contract, transaction price is allocated to each performance obligation in an amount that depicts the consideration the Corporation expects to be entitled to, in exchange for transferring the good or service. The Corporation estimates the amount of the transaction price, to allocate to individual performance obligations, based on their relative standalone selling prices.

Recognition
The nature, timing of recognition of satisfied performance obligations, and payment terms for the Corporation's goods and services are described below:

Revenues from contracts for rendering of services are recognized over time as the services are provided to the customer.

The Corporation recognizes a contract asset or contract liability for contracts where either party has performed. A contract liability is recorded when the Corporation receives consideration before the performance obligations have been satisfied. A contract asset is recorded when the Corporation has rights to consideration for the completion of a performance obligation before it has invoiced the customer. The Corporation recognizes unconditional rights to consideration separately as a receivable. Contract assets and receivables are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired.

The Corporation recognizes a significant financing component where the timing of payment from the customer differs from the Corporation's performance under the contract and where that difference is the result of the Corporation financing the transfer of goods and services. No significant financing components were identified in the Corporation's contracts.

The resulting changes in the net future tax asset or liability are included in income. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. Future income tax assets are recognized to the extent it is probable that these will be realized in the future.

l) **Earnings per share**

The computation of earnings per share is based on the weighted average number of shares outstanding during the period. Diluted profit per share is computed in a similar way to basic profit per share except that the weighted average shares outstanding are increased to include additional shares assuming the exercise of share options, share appreciation rights and convertible debt options, if dilutive.

m) **Share based compensation**

The Corporation has equity incentive plans awarded to employees (including senior executives), consultants and board members, and records all share-based payments, including grants of employee stock options, at their respective fair values. The fair value of the stock options is estimated at the grant date, using the Black-Scholes valuation model. Compensation costs are expensed over the award's vesting period with a corresponding increase to contributed surplus. An estimate of forfeitures is applied when determining compensation expense. On exercise of the equity instrument, consideration paid by the holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of loss and comprehensive loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service condition have not been met.

When the terms of an equity settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met, An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the shar-based compensation transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expenses immediately through profit and loss.

n) **Standards issued but not yet effective**

*Amendments to IAS 1 - Presentation of Financial Statements ("**IAS 1**")*

In January 2020, amendments were issued to IAS 1, which provide requirements for classifying liabilities as current or non-current. Specifically, the amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

The amendments must be applied retrospectively for annual periods beginning after January 1, 2023. The Corporation is currently assessing the impact, if any, of adoption of the amendment.

Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments to IFRS 3 apply to annual reporting periods beginning on or after January 1, 2022. The Corporation is currently assessing the impact of the amendments.

Amendments to IAS 8: Definition of Accounting Estimates

In February 2021, the IASB published "Definition of Accounting Estimates" to help entities to distinguish between accounting policies and accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.
The amendments are not expected to have a material impact on the Company.

5) Prepaids and deposits

	March 31, 2022	December 31, 2021
Prepaid expenses	$ 19,059	$ 32,309
Deposits	4,000	4,000
	$ 23,059	**$ 36,309**

6) Investments

	March 31, 2022	December 31, 2021
Guaranteed Investment Certificate	$ 3,000,000	$ 3,500,000
Listed Common Shares	147,453	98,255
Unlisted Common Shares	100,000	100,000
	$ 247,453	$ 198,255

The Guaranteed Investment Certificate ("**GIC**") is redeemable, has a term of one year maturing February 11, 2023, and carries a variable interest rate of prime less 2.00% (March 31, 2021 – 0.45%). At March 31, 2022 amounts of $3,912 have been accrued to interest income (March 31, 2021 - $Nil).

The fair value of quoted securities is based on published market prices. The Corporation has not received any dividends and has recognized a gain on fair value of the listed Common Shares of $49,198 during the Period (March 31, 2021 - $29,147 loss).

Unlisted common shares represent an investment in Plexus Technology Corp. The Corporation fair value of the investment are based on the cost of the securities due to the recency of the purchase, making cost the best estimate of fair value.

7) Property and equipment

	Equipment $	Vehicle $	Leasehold Improvements $	Total $
Cost:				
Balance, December 31, 2021	**17,271**	**-**	**20,117**	**37,388**
Additions	1,559	-	-	1,559
Balance, March 31, 2022	**18,830**	**-**	**20,117**	**38,947**
Accumulated amortization:				
Balance, December 31, 2021	1,472	-	3,912	5,384
Amortization	1,231	-	1,676	2,907
Balance, March 31, 2022	**2,703**	**-**	**5,588**	**8,291**
Carrying amounts:				
Balance, March 31, 2022	**16,127**	**-**	**14,529**	**30,656**

	Equipment $	Vehicle $	Leasehold Improvements $	Total $
Cost:				
Balance, December 31, 2020	-	-		-
Additions	17,195	-	20,117	37,312
Acquisition	1,277	12,723	-	14,000
Disposition	(1,201)	(12,723)	-	(13,924)
Balance, December 31, 2021	**17,271**	**-**	**20,117**	**37,388**
Accumulated amortization:				
Balance, December 31, 2020	-	-	-	-
Amortization	1,472	931	3,912	6,315
Disposition	-	(931)	-	(931)
Balance, December 31, 2021	**1,472**	**-**	**3,912**	**5,384**
Carrying amounts:				
Balance, December 31, 2021	**15,799**	**-**	**16,205**	**32,004**

8) Right-of-use assets

	Office $
Cost:	
Balance, December 31, 2021	96,282
Additions	-
Balance, March 31, 2022	**96,282**
Accumulated amortization:	
Balance, December 31, 2021	44,130
Amortization	12,035
Balance, March 31, 2022	**56,165**
Carrying amounts:	
Balance, March 31, 2022	**40,117**

	Office $
Cost:	
Balance, December 31, 2020	-
Additions	96,282
Balance, December 31, 2021	**96,282**
Accumulated amortization:	
Balance, December 31, 2020	-
Amortization	44,130
Balance, December 31, 2021	**44,130**
Carrying amounts:	
Balance, December 31, 2021	**52,152**

9) Patents

	Total $
Cost:	
Balance, December 31, 2021	12,244
Additions	39,746
Balance, March 31, 2022	**51,991**
Accumulated amortization:	
Balance, December 31, 2021	334
Amortization	335
Balance, March 31, 2022	**669**
Carrying amounts:	
Balance, March 31, 2022	**51,322**

	Total $
Cost:	
Balance, December 31, 2020	-
Additions	12,244
Balance, December 31, 2021	**12,244**
Accumulated amortization:	
Balance, December 31, 2020	-
Amortization	334
Balance, December 31, 2021	**334**
Carrying amounts:	
Balance, December 31, 2021	**11,910**

Delta has completed the WTO patenting, commercialization and the construction and commissioning of the Delta Purification System®, reclaiming hydrocarbon based and other solvents, such as single, mixed, and formulated amines, for use in natural gas processing ethanol-based solvents and post combustion CO_2 capturing processes.

10) Intangible assets

	PDOengine®	LCDesign® CCS	Delta Reclaimer® System	Carbon RX ™ IP	Total
	$	$	$	$	$
Cost:					
Balance, December 31, 2021	700,000	815,000	815,000	414,000	2,744,000
Additions	-	-	-	-	-
Balance, March 31, 2022	**700,000**	**815,000**	**815,000**	**414,000**	**2,744,000**
Accumulated amortization:					
Balance, December 31, 2021	64,168	74,708	74,708	17,250	230,834
Amortization	17,500	20,375	20,375	5,175	63,424
Balance, March 31, 2022	**81,668**	**95,083**	**95,083**	**22,425**	**294,259**
Carrying amounts:					
Balance, March 31, 2022	**618,332**	**719,917**	**917,917**	**391,575**	**2,449,741**

	PDOengine®	LCDesign® CCS	Delta Reclaimer® System	Carbon RX ™ IP	Total
	$	$	$	$	$
Cost:					
Balance, December 31, 2020	-	-	-		-
Acquisition	700,000	815,000	815,000	414,000	2,744,000
Balance, December 31, 2021	**700,000**	**815,000**	**815,000**	**414,000**	**2,744,000**
Accumulated amortization:					
Balance, December 31, 2020	-	-	-	-	-
Amortization	64,168	74,708	74,708	17,250	230,834
Balance, December 31, 2021	**64,168**	**74,708**	**74,708**	**17,250**	**230,834**
Carrying amounts:					
Balance, December 31, 2021	**635,832**	**740,292**	**740,292**	**396,750**	**2,513,166**

11) Goodwill

	Total $
Cost:	
Balance, December 31, 2021	365,622
Balance, March 31, 2022	**365,622**
Balance, December 31, 2020	-
Acquisition	365,622
Balance, December 31, 2021	**365,622**

Goodwill is tested for impairment at the consolidated entity level, as there is only one CGU. The Corporation completed its annual impairment test of goodwill as of December 31, 2021, using a fair value less costs of disposal model. The recoverable amount exceeded carrying value, as a result, no impairment loss was recorded for goodwill for the year of 2021.

The carrying amount was compared with the fair value less costs to sell to test for impairment. At December 31, 2021, fair value less costs to sell were determined using a market capitalization approach.

12) Lease liability

	March 31, 2022 $	December 31, 2021 $
Balance, beginning of year	52,981	-
Additions	-	96,282
Payments	(12,375)	(45,375)
Interest expense	361	2,074
Balance, end of period	**40,967**	**52,981**

Lease liabilities are presented in the statement of financial position as follows:

	Incremental Borrowing Rate (%)	Maturity	$
Current	2.95	2022	36,577
Non-current	2.95	2023	4,390
Lease liability			40,967

Interest expense of $361 is included in financing expense and payments are applied against the lease liability (December 31, 2021 - $464).

The maturity analysis of the lease liabilities at March 31, 2022 is as follows:

	$
2022	37,125
2023	4,125
Total undiscounted lease payments	41,250
Present value of lease payments	283
Net investment in the lease	40,967

Lease expenses relating to short-term leases amounted to $4,163 and were recorded as general and administrative expenses (March 31, 2021 - $4,157).

13) Share capital

At March 31, 2022, the Corporation had authorized an unlimited number of Common Shares without par value, and an unlimited number of preferred shares ("**Preferred Shares**"). Common Shares are voting, participating and are not subject to restrictions. Preferred Shares may be issued in series. At the end of the Period the Corporation had 58,823,100 (December 31, 2021 – 58,523,100) Common Shares, and Nil Preferred Shares issued and outstanding.

On December 22, 2020, the Corporation issued 100 Common Shares at a weighted average value of $0.10 per class A common share for net proceeds of $10.

On January 26, 2021, the Corporation amended its articles of incorporation to change its classes of shares to Common Shares and Preferred Shares only, and all previously issued class A common shares were converted into Common Shares.

On January 27, 2021, Delta completed an asset purchase ("**Asset Purchase**") acquiring the clean energy assets of HTC ("**Clean Energy Assets**"), pursuant to an asset purchase agreement ("Purchase Agreement"). The Clean Energy Assets consist of all of the IP and certain contractual agreements for the operation of HTC's CO_2 capture systems and reclaimer systems. The Purchase Agreement reflects a deemed purchase price of $4,000,000 however as a result of the accounting treatment of the Common Shares issued, the Financial Statements reflect a value of $3,300,000 for the 20,000,000 Common Shares issued ("**Consideration Shares**"). Consideration Shares are subject to a pooling arrangement with a release schedule over a period of 24 months whereby 10% of the Consideration Shares were released upon the Liquidity Event, 10% of the Consideration Shares are released every three months following the date of the Liquidity Event and the final 20% of the Consideration Shares are released 24 months following the date of the Liquidity Event. The Asset Purchase was conditional upon, among other things, the closing of the private placement (as described below). No finder's fees were payable in connection with the Asset Purchase.

On January 27, 2021, immediately following the closing of the Asset Purchase, the Corporation completed the first tranche of a private placement. The first tranche of the private placement comprised of 36,200,000 units of Delta at a price of $00.20 per unit for gross proceeds of $7,240,000 ("**Private Placement**"). Each unit was comprised of one Common Share and one-half of a Common Share purchase warrant ("Unit"). Each whole warrant is exercisable to purchase one additional Common Share at an exercise price of $0.50 for a period of 48 months after its issuance. The issue price allocated to the share portion of the Unit was $0.165 and $0.035

was allocated to each half warrant and recorded within warrants. Cash paid for issuance costs capitalized to Share Capital total $635,357.

On January 29, 2021, the Corporation completed a second tranche of the Private Placement consisting of 2,150,000 Units at a price of $0.20 per Unit for gross proceeds of $430,000. The issue price allocated to the share portion of the Unit was $0.165 and $0.035 was allocated to each half warrant and recorded within warrants. Pursuant to the offering (including the first tranche), the Corporation issued 1,398,750 finders' warrants and were netted against proceeds. Finders' warrants are exercisable at a price of $0.20 for a period of 4 years.

On April 16, 2021, the Corporation completed a third tranche of the Private Placement consisting of 173,000 Units at a price of $0.20 per Unit for gross proceeds of $34,600. The issue price allocated to the share portion of the Unit was $0.165 and $0.035 was allocated to each half warrant and recorded within warrants.

On February 15, 2022, 300,000 restricted share units ("**RSU**") were exercised, and accordingly 300,000 Common Shares were issued. The Corporation has recorded the issuance to Share Capital offset by Contributed Surplus $49,500.

	As at March 31, 2022		As at December 31, 2021	
Common Shares	**Number**	**Amount**	**Number**	**Amount**
Balance, beginning of Period	58,523,100	$ 8,993,655	100	$ 10
RSU's exercised	300,000	49,500	-	-
Issuance on Asset Purchase	-	-	20,000,000	3,300,000
January 27, 2021 Private Placement	-	-	36,200,000	5,973,000
January 29, 2021 Private Placement	-	-	2,150,000	354,750
April 16, 2021 Private Placement	-	-	173,000	28,545
Issuance costs	-	-	-	(662,650)
Balance, end of Period	**58,823,100**	**$ 9,043,155**	**58,523,100**	**$ 8,993,655**

14) Warrants

The Corporation's warrants as at and for the periods ending March 31, 2022, and December 31, 2021, were as follows:

Warrants	**Number**	**Weighted average exercise price**	**Fair Value of Warrants**
Balance, December 31, 2020	-	$ -	$ -
January 27, 2021 Private Placement	18,100,000	0.50	1,267,000
January 27, 2021 Finders Warrants	1,398,750	0.20	167,850
January 29, 2021 Private Placement	1,075,000	0.50	75,250
April 16, 2021 Private Placement	86,500	0.50	6,055
Issuance costs	-	-	(140,561)
Balance, December 31, 2021	**20,660,250**	**$ 0.48**	**$ 1,375,594**
Balance, March 31, 2022	**20,660,250**	**$0.48**	**$ 1,375,594**

As at March 31, 2022 and December 31, 2021, outstanding warrants to acquire common shares of the Corporation were netted against proceeds as follows:

Number outstanding	Grant date	Expiry date	Exercise price ($)	Grant date fair value ($)	Expected life (yrs)	Expected dividend yield	Risk-free interest rate	Volatility
18,100,000	January 27, 2021	January 27, 2025	0.50	1,267,000	4	0%	0.51%	120%
1,398,750	January 27, 2021	January 27, 2025	0.20	167,850	4	0%	0.51%	120%
1,075,000	January 29, 2021	January 29, 2025	0.50	75,250	4	0%	0.51%	120%
86,500	April 16, 2021	April 16, 2023	0.50	6,055	4	0%	0.51%	120%
20,660,250			**0.48**	**1,516,155**	**4**	**0%**	**0.51%**	**120%**

As at March 31, 2022, the warrants outstanding had a weighted average remaining contractual life of 2.8 years. Expected volatility is based on the historical share price of companies in a comparable industry.

15) Option and RSU plan

On February 19, 2021, 5,700,000 options ("**Stock Options**") were granted to directors, officers, employees, and consultants of the Corporation ("**Option Holders**"). Of these shares, 1,600,000 vested immediately, the remainder of the shares options vest in 3 equal tranches, 12 -, 24 – and 36 months after issuance. The exercise price of the Stock Options is equal to $0.20/Common Share. The fair value of the Stock Options is estimated at the grant date using a Black Scholes model, taking into account the terms and conditions on which the Stock Options were granted. The performance condition considered in determining the number of instruments that will ultimately vest assumes all Stock Options will vest given that the Option Holders were acquired as part of the HTC business acquisition. The Stock Options expire 4 years after issuance. The options are considered equity settled but can be cash settled with the approval of the Board. Delta has accounted for the Stock Options as an equity-settled plan.

On November 1, 2021, 500,000 stock options were granted for third party services. The shares vest over 12 months but the services provided have the duration of 6 months. The fair value of the share options is estimated at the grant date using a Black Scholes model, taking into account the terms and conditions on which the share options were granted. The performance condition considered in determining the number of instruments that will ultimately vest assumes all options will vest over the 6 months that investment services are received. The options can be exercised after one year up to four years after vesting periods for a total contractual term of 5 years for each option. The options are equity settled and have been accounted for as an equity-settled plan. The options outstanding at December 31, 2021 had an exercise price $0.20 or $0.61 and weighted average contract life of 3.25 years.

For the period ended March 31, 2022 the company recorded share-based compensation of $127,806 (March 31, 2021- $Nil).

	Employee Stock Option Plan	Options for Services
Dividend yield (%)	-	-
Expected volatility	120%	120%
Risk–free interest rate (%)	.51%	0.29%
Expected life of share options	4	5
Stock Price	0.165	0.61
Estimated Fair Value ($)	0.12	0.20

	March 31, 2022		December 31, 2021	
	Number of options	Weighted Average Exercise Price($)	Number of options	Weighted Average Exercise Price
Balance beginning of year	6,200,000	0.25	-	-
Granted	-	-	6,200,000	0.25
Forfeited	-	-	-	-
Exercised	-	-	-	-
Balance, end of period	6,200,000	0.25	6,200,000	0.25

Restricted Share Units

On February 19, 2021, the Corporation granted 5,300,000 RSU's to certain directors and employees of the Corporation, which were valued at $0.165 per RSU. Of the RSU's granted 300,000 vest immediately. The remaining 5,000,000 RSU vest every 6 months, over a period of 2 years. The RSUs are equity-settled and each RSU can be settled for one Common Share for no consideration. The vested RSUs were recorded in contributed surplus.

On February 15, 2022, 300,000 RSU's were exercised. The Corporation has recorded the issuance to Share Capital and reduced contributed surplus by $49,500.

For the Period ended March 31, 2022, the Corporation recorded share-based compensation related to RSU of $87,586 (March 31, 2021 - $Nil).

	March 31, 2022		December 31, 2021	
	Number of RSU's	Weighted Average Exercise Price ($)	Number of RSU's	Weighted Average Exercise Price ($)
Balance beginning of year	5,300,000	0.165	-	-
Granted	-	-	5,300,000	0.165
Forfeited	-	-	-	-
Exercised	(300,000)	-	-	-
Balance, end of period	5,000,000	0.165	5,300,000	0.165

16) Basic and diluted income per share

The basic and dilutive earnings per share have been calculated using the weighted average number of Common Shares outstanding during the Period. Since there are no items of a dilutive nature, the basic and dilutive share amounts are the same. The total basic and dilutive weighted average number of Common Shares for March 31, 2022 is 58,671,415 (March 31, 2021 – 27,098,415).

	March 31, 2022	March 31, 2021
Loss attributable to shareholders	$ (800,426)	$ (754,169)
Basic and diluted weighted average number of common shares	58,671,415	27,098,415
Basic and diluted loss per share	$ (0.01)	$ (0.03)

17) Changes in Working Capital and Other

The net change in the non-cash working capital balances related to continuing operations is calculated as follows:

Change in working capital is comprised of	March 31, 2022	March 31, 2021
Accounts receivables	$ (117,131)	$ (26,296)
Government receivables	36,288	(30,892)
Prepaids expenses and deposits	13,250	(11,135)
Accounts payable and accrued liabilities	(180,073)	149,973
Customer deposits	-	6,800
	(247,666)	**$ 88,450**

18) Financial Risk Management

Management's risk management policies are typically performed as a part of the overall management of the Corporation's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Corporation is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Corporation has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Corporation, management considers the avoidance of undue concentrations of risk. These risks and the actions taken to manage them include the following:

a) Credit risk

The risk of financial loss in the event of failure of a customer or counterparty to a financial instrument to meet its contractual obligation is defined as credit risk. The Corporation's principal exposure to credit risk is in respect to its accounts receivable. In order to reduce the risk on its accounts receivable, the Corporation has adopted credit policies which mandate performing an ongoing credit review of all its customers and establishing allowances for bad debts when the amounts are not collectible. The allowance for bad debt at March 31, 2022 was $Nil (December 1, 2021 - $Nil).

Due to the nature of the Corporation's operations, Management considers accounts receivable outstanding for 90 days or less, to be current amounts. Over 90 days are also considered current, if extended terms exist and security is provided, or amounts are subject to contract restrictions and performance markers. The aging of the Corporations accounts receivable at March 31, 2022 and December 31, 2021 is as follows:

	Current	Over 90 Days	Total
Aging of accounts receivable at March 31, 2022	$ 133,505	$ 3,272	$ 136,777
Aging of accounts receivable at December 31, 2021	$ 17,048	$ 2,598	$ 19,646

b) Currency risk

The Corporation is exposed to currency risk as a certain portion of sales and expenses are incurred in US dollars resulting in US denominated accounts receivable and accounts payable. These balances are, therefore, subject to gains and losses due to fluctuations in that currency in relation to the Canadian dollar.

The Canadian dollar equivalent amounts of the balances denominated in US funds are:

	March 31, 2022	December 31, 2021
	$	$
Cash	332	597

c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's only interest-bearing financial instrument is the GIC that it holds as at March 31, 2022 at a fixed rate of interest.

d) **Liquidity risk**

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The Corporation's main sources of liquidity are its operations and equity financing. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Corporation's financial obligations associated with financial liabilities.

The timing of cash outflows relating to the financial liabilities are outlined in the table below:

March 31, 2022	< 1 year	1-2 years	3-5 years	Thereafter	Total
Accounts payable and accrued liabilities	$ 146,125	$ -	$ -	$ -	$ 146,125
Lease liability	36,577	4,390	-	-	40,967
Balance	**$ 182,702**	**$ 4,390**	**$ -**	**$ -**	**$ 182,702**

December 31, 2021	< 1 year	1-2 years	3-5 years	Thereafter	Total
Accounts payable and accrued liabilities	$ 326,198	$ -	$ -	$ -	$ 326,198
Lease liability	48,591	4,390	-	-	52,981
Balance	**$ 374,789**	**$ 4,390**	**$ -**	**$ -**	**$ 379,179**

19) Financial Instruments

Fair Value

For all current assets and liabilities, the difference between cost and fair value is assumed to be negligible due to the short-term maturities of these items. The following table provides a summary, by class and level on the fair value hierarchy, of the financial assets and liabilities that are measured at fair value, together with the carrying amounts included in the consolidated statements of financial position, as at March 31, 2022 and December 31, 2021:

	Level	March 31, 2022 Carrying amount	March 31, 2022 Fair value	December 31, 2021 Carrying amount	December 31, 2021 Fair value
Financial assets					
Amortized cost					
Accounts receivable and accrued receivables		$ 136,777	$ 136,777	$ 19,646	$ 19,646
Fair value through profit and loss					
Cash	1	403,397	403,397	759,915	759,915
Guaranteed investment certificate	1	3,000,000	3,000,000	3,500,000	3,500,000
Listed Common Shares	1	147,453	147,453	98,255	98,255
Unlisted common shares	3	100,000	100,000	100,000	100,000
Financial Liabilities					
Amortized cost					
Accounts payable and accrued liabilities		146,125	146,125	326,198	326,198
Lease liabilities		40,967	40,967	52,981	52,981

The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Interest from financial instruments is recognized in finance costs.

20) Capital Disclosures

There are no restrictions on the Corporation's capital. The Corporation's capital is summarized as follows:

	March 31, 2022	December 31, 2021
Shareholders' equity	$ 6,568,608	$ 7,153,644

The Corporation's objectives when managing capital are to:

- maintain financial flexibility in order to preserve its ability to meet financial obligations;
- deploy capital to provide an appropriate investment return to its shareholders in the future; and
- maintain a capital structure that allows multiple financing options to the Corporation, should a financing need arise.

The Corporation's financial strategy is designed and formulated to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Corporation may raise debt (secured, unsecured, convertible and/or other types of available debt instruments) or refinance existing debt with different characteristics.

21) Related Party

Related party transactions include transactions with corporate investors who have representation on the Corporation's Board.

During the Period, the Corporation paid $55,874 (March 31, 2021 - $52,417) for legal services for a law firm that a director is a partner of. As of March 31, 2022, there are $Nil amounts owing to the law firm (March 31, 2021- $Nil).

Clearview Financial Services Inc. ("**Clearview**") is a related party due to one common director. During the Period, the Corporation paid $18,750 in consulting and $2,400 in rent expense. At March 31, 2022, there are amounts payable of $Nil (March 31, 2021 - $7,477).

KF Group of Companies ("**KF Group**") is a related party due to one common director. During the Period, the Corporation paid $11,965 in rent expense (March 31, 2021 - $5,940). At December 31, 2021, there are amounts payable of $Nil (March 31, 2021 - $Nil).

The Corporation has identified all of the directors and officers as its key management personnel. During the Period, the Corporation did not incur transactions with directors and officers, or companies that are controlled by directors or officers of the Corporation, other than disclosed herein.

22) Key Management Compensation

The remuneration of key management personnel included in the Statements of Loss were:

For the period ended	March 31, 2022	March 31, 2021
Operating wages and consulting		
Salaries and short-term benefits	$ 52,000	$ 38,477
Consulting	21,150	21,150
Stock based compensation		
Stock Options and RSU's	32,877	-
Total key management compensation	$ 106,027	$ 59,627

The key management personnel of the Corporation consist of the executive officers and members of the Board. Key management personnel include those persons that have the authority and responsibility for planning, directing and controlling the activities of the Corporation, directly and indirectly.

The Corporation has employment agreements with its Chairman and CEO, and CFO, and a consulting agreement with its President. Yearly compensation is paid in accordance with the remuneration package agreed upon by the compensation committee and the individual respectively.

Under the Chairman and CEO employment agreement, the Corporation may terminate the agreement without cause, and the employee may terminate for good cause, and in both instances: (i) the Corporation shall be liable to pay, in lieu of notice, or any combination of both, a severance equal to 36 months, based on the base salary and bonus commitments; (ii) all unvested Stock Options and/or RSU will immediately vest and be exercisable. In the event of a change in control, all unvested securities granted or issued shall automatically vest and, at the option of the employee, the employee may resign and be entitled to a lump sum payment equal to the value of his base salary and any bonus, equal to 36 months.

During the Period, $Nil were paid in director fees (March 31, 2021 - $Nil). In addition to their salaries, senior management and directors also participate in the Corporation's share-based compensation plans.

23) Subsequent Events

On April 29, 2022 Mr. Allison accepted the appointment of Chief Executive Officer and Mr. Bernakevitch accepted the appointment as Chairman to the Board.