FENDX TECHNOLOGIES INC.

FINANCIAL STATEMENTS
For the year ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

DMCL
DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of FendX Technologies Inc.

Opinion

We have audited the financial statements of FendX Technologies Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 1 to the financial statements, which indicates that the Company incurred significant losses since inception and, as of December 31, 2022, had an accumulated deficit of $3,359,705 and its current liabilities exceeded its current assets by $697,723. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company'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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 David Goertz.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 1, 2023

STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	December 31, 2022 $	December 31, 2021 $
ASSETS			
Current			
Cash		28,128	1,083,871
Sales tax receivable		59,839	14,754
Prepaid expenses	4	69,678	144,685
		157,645	1,243,310
Equipment		2,109	3,812
Total assets		159,754	1,247,122
LIABILITIES			
Current			
Accounts payable	6	564,237	205,390
Accrued liabilities	6	266,131	182,239
Loan payable	7	25,000	-
Total liabilities		855,368	387,629
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	2,518,252	2,241,312
Subscriptions received	8	-	30,000
Reserves	8	145,839	48,138
Deficit		(3,359,705)	(1,459,957)
Total shareholders' equity (deficiency)		(695,614)	859,493
Total liabilities and shareholders' equity (deficiency)		159,754	1,247,122

Nature of operations and going concern *[note 1]*
Subsequent events note *[note 8 and 12]*

These financial statements were approved for issuance by the Board of Directors on May 1, 2023 and signed on its behalf by:

"Stephen Randall"
Director

"Carolyn Myers"
Director

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

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	Year Ended December 31, 2022 $	Year Ended December 31, 2021 $
Expenses			
Consulting fees	6	452,113	262,131
Directors' fees	6	92,976	85,000
General and administration	6	119,935	39,986
Management fees	6	572,938	384,561
Marketing		2,370	12,029
Professional fees	9	322,659	236,848
Research and development	9	227,923	108,594
Share based payment	6,8	97,141	-
Transfer agent and filing fees		25,615	1,850
		1,913,670	1,130,999
Loss before other income		(1,913,670)	(1,130,999)
Other income			
Government grant		2,100	7,500
Foreign exchange gain (loss)		(408)	417
Forgiveness of accounts payable		12,230	-
		13,922	7,917
Net loss and comprehensive loss		(1,899,748)	(1,123,082)
Basic and diluted loss per common share		(0.05)	(0.07)
Weighted average number of common shares outstanding – basic and diluted		36,903,691	17,172,990

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian dollars)

	Common Shares		Subscriptions received	Reserves	Deficit	Total
	Number	$	$	$	$	$
Balance, December 31, 2020	1	1	363,500	-	(336,875)	26,626
Private placements (Note 8)	28,400,665	2,035,100	(363,500)	-	-	1,671,600
Shares issued – debt settlements (Note 8)	5,500,000	207,500	-	-	-	207,500
Shares issued – License Agreement (Notes 5 and 8)	1,435,000	71,750	-	-	-	71,750
Shares issued – finders' shares (Note 8)	701,387	105,208	-	-	-	105,208
Shares cancelled (Note 8)	(166,000)	(24,900)	-	-	-	(24,900)
Shares cancelled – finders' shares (Note 8)	(13,280)	(1,993)	-	-	-	(1,993)
Share issuance costs (Note 8)	-	(151,354)	-	-	-	(151,354)
Subscriptions received (Note 8)	-	-	30,000	-	-	30,000
Broker warrants (Note 8)	-	-	-	49,234	-	49,234
Broker warrants – cancellation (Note 8)	-	-	-	(1,096)	-	(1,096)
Net loss for the year	-	-	-	-	(1,123,082)	(1,123,082)
Balance, December 31, 2021	35,857,773	2,241,312	30,000	48,138	(1,459,957)	859,493
Private placement (Note 8)	300,000	45,000	(30,000)	-	-	15,000
Shares issued – finders' shares (Note 8)	24,000	3,600	-	-	-	3,600
Shares cancelled – finders' shares (Note 8)	(16,000)	(2,400)	-	-	-	(2,400)
Shares issued – exercise of warrants (Note 8)	750,000	75,000	-	-	-	75,000
Shares issued – debt settlements (Note 8)	1,050,000	157,500	-	-	-	157,500
Share issuance costs (Note 9)	-	(1,760)	-	-	-	(1,760)
Share base payment (Note 8)	-	-	-	97,141	-	97,141
Broker warrants (Note 8)	-	-	-	560	-	560
Net loss for the year	-	-	-	-	(1,899,748)	(1,899,748)
Balance, December 31, 2022	37,965,773	2,518,252	0	145,839	(3,359,705)	(695,614)

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

STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year Ended December 31, 2022 $	Year Ended December 31, 2021 $
OPERATING ACTIVITIES		
Net loss	(1,899,748)	(1,123,082)
Add items not affecting cash:		
Depreciation of equipment	1,703	909
Shares issued pursuant to License Agreement	-	71,750
Share based payment	97,141	-
	(1,800,904)	(1,050,423)
Changes in non-cash working capital items relating to operations:		
Sales tax receivable	(45,085)	(14,755)
Prepaid expenses	75,007	(144,685)
Accounts payable and accrued liabilities	600,239	265,189
Cash used in operating activities	(1,170,743)	(944,674)
INVESTING ACTIVITY		
Additions to equipment	-	(4,721)
Cash used in investing activity	-	(4,721)
FINANCING ACTIVITIES		
Issuance of common shares, net of issuance costs	90,000	1,646,699
Proceeds from subscription received	-	30,000
Loan payable	25,000	-
Cash provided by financing activities	115,000	1,676,699
Increase (decrease) in cash	(1,055,743)	727,304
Cash, beginning	1,083,871	356,567
Cash, ending	28,128	1,083,871
Supplemental disclosures with respect to cash flows:		
Shares issued pursuant to License Agreement	-	71,750
Issuance of shares for settlement of debts	157,500	207,500
Fair value of compensation warrants issued	560	48,138

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

1. NATURE OF OPERATIONS AND GOING CONCERN

FendX Technologies Inc. ("FendX" or the "Company") was incorporated under the British Columbia *Business Corporations Act*. The Company was incorporated as 1259192 B.C. Ltd. on July 28, 2020 and subsequently changed its name to FendX Technologies Inc. on September 18, 2020. The Company's head office is located at 2010 Winston Park Drive, 2nd Floor, Oakville, Ontario, L6H 5R7. On March 20, 2023 the Company's common shares were listed and commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "FNDX".

The Company was formed to advance a platform technology that was licensed from McMaster University ("McMaster"), of Hamilton, Ontario, Canada, pursuant to a License Agreement (as herein defined) effective February 5, 2021 (Note 5). The Company is a development-stage technology company focused on developing surface-coating products that repel certain pathogens.

These financial statements have been prepared under the assumption that the Company will continue as a going concern. On February 1, 2023, the Company received $4,001,400 previously held in escrow by its escrow agent pursuant to the Subscription Receipt financing (see Note 8 and 12). The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As of December 31, 2022, the Company had an accumulated deficit of $3,359,705. The Company's operations are dependent on obtaining additional financing to further develop its technology and generating cash flow from operations in the future. These factors form a material uncertainty, which may raise significant doubt about the Company's ability to continue as a going concern. Management's plans to meet the Company's current and future obligations may include raising capital through the issuance of equity and debt securities, relying on the financial support of its shareholders and related parties and cashflow from operations if the Company is successful in commercially launching its technology. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. These financial statements do not give effect to any adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business. Such adjustments can be material.

2. BASIS OF PRESENTATION

[a] Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretation Committee ("IFMIC").

These financial statements were approved for issue by the Company's Board of Directors on May 1, 2023.

[b] Basis of measurement

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable.

2. BASIS OF PRESENTATION (CONTINUED)

[c] Functional and foreign currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. Foreign currency transactions are translated into Canadian dollars using the exchange rate at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognized in net income or loss.

[d] Significant accounting estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company reviews its estimates and underlying assumptions on an ongoing basis.

Critical judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs and license 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 development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs and license costs have been expensed.

ii. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future, including the availability of financing and revenue projection, as well as the current working capital balance and future commitments of the Company.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

2. BASIS OF PRESENTATION (CONTINUED)

[d] Significant accounting estimates and judgments (continued)

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements have been applied to all periods presented.

The following is a summary of significant accounting policies:

[a] Research and development costs

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
ii. its intention to complete the intangible asset and use or sell it;
iii. its ability to use or sell the intangible asset;
iv. how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
vi. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized when the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[a] Research and development costs (continued)

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their useful life, and an impairment loss is recognized in profit or loss when their recoverable amount is less than their net carrying amount.

[b] Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses. Cost includes costs paid to acquire assets from third parties.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of loss. Amortization is calculated as follows:

- Computer equipment – 55% double declining balance

[c] Government grant

A government grant is recognized when there is reasonable assurance it will be received, and all related conditions will be complied with. The Company recognizes government grants in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate. The Company carefully determines whether the grant compensates expenses already incurred or future costs.

[d] Share-based payments

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[d] Share-based payments (continued)

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of options. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in warrant reserve is transferred to share capital. Charges for options or warrants that are cancelled or expire are reclassified from contributed surplus to deficit.

[e] Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting or taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred income tax assets are recognized only to the extent that it is probable that future profit will be available against which such assets can be utilized.

[f] Share capital

The Company records proceeds from shares issued net of issuance costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued.

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

[g] Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method whereby all in-the-money options and warrants are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. In periods of loss, basic and diluted loss per share are the same, as the effect of the exercise of outstanding options and warrants is anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[h] Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held-for-trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9 *Financial Instruments*:

Financial Asset/Liabilities	Classification
Cash	FVTPL
Sales tax receivable	Amortized cost
Accounts payable	Amortized cost
Loan payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[h] Financial instruments (continued)

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 if 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 the statement of loss and comprehensive 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.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of loss and comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early-adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

[i] Comparative Figures

Certain comparative figures have been reclassified to conform to current year's presentation.

(Expressed in Canadian dollars)

4. PREPAID EXPENSES

	December 31, 2022 $	December 31, 2021 $
Prepaid insurance	1,185	1,183
Prepaid research project expenses	8,493	143,502
Prepaid marketing expenses	60,000	-
Total	69,678	144,685

Pursuant to a collaborative research agreement between the Company and McMaster with an effective date of August 1, 2021 dated August 1, 2022 and amended on April 11, 2023 with an effective date of January 1, 2023 (the “Collaborative Research Agreement” or “CRA”), the Company advances funds for the sponsored research project work led by the McMaster lead researchers to further develop the Licensed Technology (as defined in Note 5) (see Note 5 and 12).

5. LICENSE AGREEMENT

The Company and McMaster entered into a license agreement (the “License Agreement”) dated February 5, 2021, and amended July 14, 2021 and July 15, 2022, in respect of the technology and patents which form the primary basis of the Company’s business (the “Licensed Technology”), which grants the Company an exclusive worldwide license to the Licensed Technology. In addition, the Company entered into a Collaborative Research Agreement with McMaster (see Note 4), that allows the Company to work with McMaster to advance the technology and sets out the payment schedule for the development milestone funding. Pursuant to the License Agreement, the Company agreed to the following:

- the issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds of which 1,435,000 common shares have been issued in satisfaction thereof;
- payment of a 4% royalty on net sales;
- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to $5,000 in the first and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years; and
- funding for development milestones such that in year one, the Company will fund development work pursuant to the Collaborative Research Agreement and contribute an aggregate of $350,000 toward sponsored research projects, of which:
    - $175,000 was due on signing the Collaborative Research Agreement (paid);
    - $87,500 is payable on each of months 4 (paid) and 8 (paid) thereafter, upon receipt of invoices from McMaster; and
    - In year two and year three, the Company is to contribute a minimum of $150,000 each year to a sponsored research project to further develop the Licensed Technology, provided the research aims are approved by the Company.

(Expressed in Canadian dollars)

6. RELATED PARTY DISCLOSURE

Transactions with related parties

Related parties of the Company include key management personnel and companies controlled by key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company.

Amounts due to related parties, including amounts due to key management personnel are unsecured, interest-free, due on demand and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Included in accounts payable and accrued liabilities at December 31, 2022, were amounts totaling $540,289 (2021 - 243,274) due to related parties.

The following related party fees were incurred:

	Year Ended December 31, 2022 $	Year Ended December 31, 2021 $
Consulting fees	-	32,508
Directors' fees	92,976	85,000
Management fees	572,938	384,561
Share based payments	66,660	-
Total	732,574	502,069

On April 22, 2022, the Company issued 50,000 common shares to settle $7,500 of management fees owed to a company controlled by the Company's CFO (Note 8). On June 19, 2021 the Company settled management fees of $7,500 owing to the CEO through the issuance of 1,500,000 common shares with a fair value of $0.005 per share (Note 8).

7. LOAN PAYABLE

As at December 31, 2022, the Company had a loan payable to a consultant of the Company of $25,000 (2021- $nil). The loan is unsecured, non-interest bearing and has no fixed terms of repayment.

8. SHARE CAPITAL

[a] Authorized

Unlimited number of common shares without par value.

8. SHARE CAPITAL (CONTINUED)

[b] Issued

An aggregate of 36,469,666 common shares are subject to voluntary pooling and escrow restrictions of which: a) 16,500,001 common shares are subject to voluntary pooling agreements such that 55% of these shares are released on the date that is 18 months from the listing date of the Company's common shares on the CSE (the "Listing Date"), and further 15% releases on the dates that are 24, 30 and 36 months from the Listing Date; b) 1,435,000 common shares are subject to escrow such that 100% of the common shares will be released on the date that is 18 months after the Listing Date; c) an aggregate of 8,200,000 common shares are subject to voluntary escrow such that 20% will be released on the Listing Date and a further 20% releases on the dates that are 6, 12, 18 and 24 months from the Listing Date; and d) an aggregate of 10,334,665 common shares are subject to voluntary resale restrictions such that 20% are released on the date that is 4 months and one day from the Listing Date, 20% released on the date that is 6 months and one day from the Listing Date, 30% released on each of the dates that are 9 months and one day and 12 months and one day from the Listing Date.

During the year ended December 31, 2022:

i. On January 20, 2022, the Company closed a non-brokered private placement and issued 300,000 common shares at $0.15 per share for proceeds of $45,000 of which $30,000 was received during the year ended December 31, 2021. In connection with the offering, the Company issued 24,000 finders shares at a deemed price of $0.15 per share and 24,000 broker warrants, each broker warrant is exercisable into one additional share at an exercise price of $0.15 per share for a period of two years from the date of issuance with a fair value of $3,600. During the year, the Company cancelled 16,000 of these finders shares, with a fair value of $2,400, and 16,000 broker warrants. The 8,000 remaining broker warrants were valued at $560 using the Black-Scholes pricing model. Share issuance cost of $1,760 was recorded during the year ended December 31, 2022 including $1,200 for 8,000 finder's shares issued and $560 for fair value of 8,000 broker warrants.

ii. On April 22, 2022, the Company issued 50,000 common shares to settle debt obligations of $7,500 to a related party with a fair value of $0.15 per share (Note 6).

iii. On April 22, 2022, the Company issued 1,000,000 common shares to settle debt obligations of $150,000 with a fair value of $0.15 per share.

iv. On December 22, 2022, the Company issued 750,000 common shares pursuant to the exercise of 750,000 warrants at a price of $0.10 per share for gross proceeds of $75,000.

During the year ended December 31, 2021:

i. On June 19, 2021, the Company closed a private placement and issued an aggregate of 9,000,000 common shares at a price of $0.005 per share, for gross proceeds of $45,000.

ii. On June 19, 2021, the Company issued 1,500,000 common shares to settle debt obligations of $7,500 to a related party with a fair value of $0.005 per share (Note 6).

8. SHARE CAPITAL (CONTINUED)

[b] Issued (continued)

iii. The Company closed private placements on March 10, 2021 and June 29, 2021 and issued an aggregate of 9,200,000 units at a price of $0.05 per unit, for aggregate gross proceeds of $460,000. Each unit consists of one common share and one share purchase warrant, each warrant exercisable into one additional common share at a price of $0.10 per share for a period of 2 years from the date of issue. The warrants were valued at $nil using the residual method.

iv. Pursuant to the License Agreement, the Company agreed to issue McMaster that number of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds. On June 29, 2021, the Company issued 1,435,000 common shares at a fair value of $0.05 per share for a fair value of $71,750 to McMaster.

v. On June 29, 2021, the Company issued 1,000,000 common shares to settle debt obligations of $50,000. The common shares were issued at a fair value of $0.05 per share.

vi. On June 29, 2021, the Company issued 3,000,000 common shares to settle debt obligations of $150,000. The common shares were issued at a fair value of $0.05 per share.

vii. During the year, the Company closed several tranches of a private placement (on August 16, 2021, November 9, 2021 and December 23, 2021), and issued an aggregate of 10,200,665 common shares at $0.15 per share for proceeds of $1,530,100. Pursuant to the private placements, the Company issued an aggregate of 701,387 finder's shares with a fair value of $105,208 and an aggregate of 701,387 broker warrants exercisable at $0.15 per share for a period of two years after the date of issuance, with a fair value of $49,234. For the August 16, 2021 tranche, the broker warrants were valued using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 0.43%, an estimated annualized volatility of 85.19%, an expected life of 2 years, a nil dividend yield, and an exercise price of $0.15. For the November 9 and December 23, 2021 tranches, the broker warrants were valued using the Black-Scholes model under the following assumptions: a risk-free rate of 0.92% and 0.98% respectively, an estimated annualized volatility of 87.02% and 84.80% respectively, an expected life of 2 years, a nil dividend yield, and an exercise price of $0.15.

viii. On December 13, 2021, the Company cancelled a net amount of 166,000 common shares previously issued at a price of $0.15 per share with a fair value of $24,900. Pursuant to the cancellation, the Company also cancelled 13,280 finder's shares, with a fair value of $1,993, and cancelled 13,280 broker warrants with a fair value of $1,096.

ix. As at December 31, 2021, the Company has received subscription proceeds totaling $30,000 related to a private placement which closed in January 2022.

8. SHARE CAPITAL (CONTINUED)

[c] Subscription Receipts

On April 28, 2022, the Company closed a non-brokered private placement and issued an aggregate of 13,338,000 subscription receipts (each, a "Subscription Receipt") at $0.30 per Subscription Receipt, for proceeds of $4,001,400. The proceeds were held in escrow by an escrow agent pursuant to a subscription receipt agreement dated April 28, 2022, as amended, between the Company and Endeavor Trust Corporation (the "Escrow Agent") and upon obtaining the receipt for a final prospectus (the "Escrow Release Condition"), the funds would be released to the Company and each Subscription Receipt will automatically convert into one unit ("Unit"). Each Unit consists of one common share and one-half warrant. Each whole warrant would entitle the holder to purchase an additional common share at an exercise price of $0.50 per share for a period of two years following the date of the satisfaction of the Escrow Release Condition, subject to an acceleration provision.

Upon satisfaction of the Escrow Release Condition, the Company would pay a cash finder's fee in the aggregate amount $112,752, would issue 609,680 Subscription Receipt broker shares and issue an aggregate of 985,520 Subscription Receipt broker warrants to certain finders in connection with funds raised pursuant to the Subscription Receipt offering. Broker warrants are exercisable at $0.30 per share for a period of two years from the date of satisfaction of the Escrow Release Condition. If the Escrow Release Condition were not satisfied by February 17, 2023, subscribers would be entitled to receive a refund of the subscription amounts held in escrow, without interest thereon.

The Escrow Release Condition was satisfied on February 1, 2023 and the proceeds of $4,001,400 held in escrow was released to the Company (see Note 12).

[d] Options

The Company has an equity incentive plan dated October 19, 2021 (the "Plan") under which it is authorized to grant stock options, restricted share units, performance share units or deferred share units (the "Plan Securities") which may be denominated or settled in common shares, cash, a combination thereof or in such other form as provided herein at the discretion of the Company's board of directors up to a maximum of 20% of the issued and outstanding common shares of the Company from time to time.

On April 22, 2022, the Company issued an aggregate of 1,025,000 options to certain directors, officers, employees and consultants with an exercise price of $0.15 per share with an expiry date of 5 years from the date of grant. The options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all options fully vest over 24 months from the date of grant. The options were valued using the Black-Scholes model under the following assumptions: a risk-free rate of 2.79%, an estimated annualized volatility of 83.53%, an expected life of 5 years, a nil dividend yield, and an exercise price of $0.15.

On December 24, 2022, the Company issued an aggregate of 300,000 options to an officer with an exercise price of $0.30 per share with an expiry date of 5 years from the date of grant.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

[d] Options (continued)

The options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all options fully vest over 24 months from the date of grant. The options were valued using the Black-Scholes model under the following assumptions: a risk-free rate of 3.25%, an estimated annualized volatility of 87.83%, an expected life of 5 years, a nil dividend yield, and an exercise price of $0.30.

The expected volatilities used for the options granted during the year ended December 31, 2022 is based on the historical share prices of comparable companies.

The continuity of options for the year ended December 31, 2022 is as follows:

	Number of Options	Weighted Average Exercise Price $
Balance, December 31, 2020 and 2021	-	-
Granted	1,325,000	0.18
Balance, December 31, 2022	1,325,000	0.18
Vested and exercisable at December 31, 2022	441,665	0.18

A summary of the Company's options outstanding as at December 31, 2022 is as follows (2021 – Nil):

Expiry Date	Exercise Price $	Options Outstanding	Weighted Average Remaining Life of Options (Years)	Options Exercisable
April 22, 2027	0.15	1,025,000	4.31	341,665
December 24, 2027	0.30	300,000	4.98	100,000
		1,325,000	4.46	441,665

During the year ended December 31, 2022, the Company expensed $97,141 (2021 - $nil) relating to options granted and vested.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

[e] Warrants

A summary of the warrant activity to December 31, 2022 is as follows:

	Number	Weighted Average Exercise Price $
Balance, December 31, 2020	-	-
Issued	9,200,000	0.10
Balance, December 31, 2021	9,200,000	0.10
Warrants exercised	(750,000)	0.10
Balance, December 31, 2022	8,450,000	0.10

Details of warrants outstanding as at December 31, 2022 are as follows:

Date of Expiry	Number of Warrants Outstanding	Exercise Price $
March 10, 2023(1)	7,250,000	0.10
June 29, 2023(1)	1,200,000	0.10
	8,450,000	0.10

(1) Subsequent to December 31, 2022, the Company amended the expiry date of these warrants to March 10, 2024.

The remaining life of the warrants as at December 31, 2022 is 0.23 years.

[f] Broker warrants

A summary of the broker warrant activity to December 31, 2022 is as follows:

	Number	Weighted Average Exercise Price $
Balance, December 31, 2020	-	-
Issued	701,387	0.15
Cancelled	(13,280)	(0.15)
Balance, December 31, 2021	688,107	0.15
Issued	24,000	0.15
Cancelled	(16,000)	(0.15)
Balance, December 31, 2022	696,107	0.15

(Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

[f] Broker warrants (continued)

Expiry Date	Number Outstanding	Exercise Price $
August 16, 2023	200,320	0.15
November 9, 2023	45,120	0.15
December 23, 2023	442,667	0.15
January 20, 2024	8,000	0.15
	696,107	

During the year ended December 31, 2022, the Company issued an aggregate of 24,000 broker warrants with an exercise price of $0.15 per warrant. A share cancellation during the year resulted in the Company reissuing a broker warrant to a finder which resulted in the cancellation of 16,000 broker warrants. The remaining life of the broker warrants at December 31, 2022 is 0.87 years (2021 – 1.87).

[g] Bonus Shares

On June 19, 2021 the Company entered into agreements with each of the two lead researchers at McMaster (the "Lead Researchers") related to the Licensed Technology. Pursuant to the agreements, each of the two Lead Researchers may be entitled to receive up to 2,075,000 common shares (the "Bonus Shares") should certain milestones related to the development of the Licensed Technology be achieved. As at December 31, 2022, 4,150,000 Bonus Shares have been reserved for issuance, and no Bonus Shares have been issued.

[h] Reserves

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. OPERATING EXPENSES

Professional fees are comprised of the following:

	Year Ended, December 31, 2022 $	Year Ended, December 31, 2021 $
Audit fees	30,000	30,000
Legal fees – general corporate	170,491	120,303
Legal fees – intellectual property and other	122,168	86,545
Total	322,659	236,848

(Expressed in Canadian dollars)

9. OPERATING EXPENSES (CONTINUED)

Research and development expenses are comprised of the following:

	Year Ended, December 31, 2022 $	Year Ended, December 31, 2021 $
Research and development	222,923	36,844
License and royalty fees	5,000	71,750
Total	227,923	108,594

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments at December 31, 2022 include cash, sales tax receivable, accounts payable and loan payable. The fair values of these instruments approximate their carrying values due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

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., from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs. The carrying values of sales tax receivable, accounts payable and loan payable approximate their respective fair values due to the short-term nature of these investments.

[a] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash and sales tax receivable. The Company has adopted practices to mitigate the deterioration of principal, to enhance the Company's ability to meet its liquidity needs and to optimize yields within those parameters. The Company regularly reviews the collectability of its accounts receivable and would establish an allowance account for credit losses based on its best estimate of any potentially uncollectible accounts receivable. As of December 31, 2022, the balance of the allowance account for credit losses was $nil (2021 - $nil). The Company's cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held in the banks there is a concentration of credit risk. This risk is managed by using major banks that are high quality financial institutions as determined by rating agencies.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

[b] Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual and forecasted working capital requirements, and actively managing its financing activities. The Company's main source of funding has been the issuance of equity securities, primarily through private placements. Although the Company received the proceeds held in escrow of $4,001,400 from its Subscription Receipt financing on February 1, 2023 (see Notes 8 and 12), there can be no assurance of continued access to significant equity funding. As of December 31, 2022, the Company had a working capital deficit of $697,723 (2021 - $855,681). As at December 31, 2022, the Company's financial liabilities were comprised of accounts payable and accrued liabilities totaling $830,368 all of which have contractual maturities less than 3 months and loan payable of $25,000 which has a contractual maturity of less than 3 months.

[c] Market risk

i. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company has cash balances and no interest-bearing investments or debt. If the Company had excess cash to invest, the Company's policy would be to invest the excess cash in guaranteed investment certificates issued by its banking institutions. The Company is not currently exposed to significant interest rate risk.

ii. Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has a portion of its operating expenses in US dollars. The Company has not entered into foreign exchange derivative contracts.

As at December 31, 2022 and 2021, the Company had the following assets and liabilities denominated in US dollars. A 10% change in the currency exchange rate between the Canadian dollar relative to the US dollar could have a gain or loss of approximately $3,725 (2021 - $1,638) on the Company's results of financial position based on the Company's net exposure as at December 31, 2022 and 2021.

	December 31, 2022 US$	December 31, 2021 US$
Accounts payable	27,500	12,923

[d] Capital disclosure

The Company's objective when managing capital is to ensure its ability to continue as a going concern in order to pursue the development of its product candidates for ultimate sale or sub-licensing. The

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Company attempts to maximize return to shareholders by minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements, such as collaborative partnership arrangements.

The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through equity share issuances since inception.

The Company manages its capital structure and adjusts it considering changes in economic conditions and risk characteristics of the underlying assets. The Company may issue new securities. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's capital management during the year ended December 31, 2022 and 2021.

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year Ended December 31, 2022 $	Year Ended December 31, 2021 $
Loss for the year	(1,899,748)	(1,123,082)
Expected income tax recovery	(512,932)	(303,232)
Share issuance costs	(30,623)	(30,271)
Non-deductible expenditures	30,327	-
Other	12,975	(19,769)
Change in unrecognized deductible temporary differences	500,253	353,272
Total income tax recovery	-	-

The significant components of the Company's deferred tax assets that have not been included on the statements of financial position are as follows:

	As at December 31, 2022 $	As at December 31, 2021 $
Deferred tax assets (liabilities)		
Share issuance costs	41,341	40,866
Equipment	1,000	1,000
Non-capital losses available for future periods	893,140	402,362
SRED Pool	9,000	-
	944,481	444,228
Unrecognized deferred tax assets (liabilities)	(944,481)	(444,228)
Net deferred tax assets	-	-

(Expressed in Canadian dollars)

11. INCOME TAXES (CONTINUED)

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

Temporary Differences	Year Ended December 31, 2022 $	Expiry Date Range	Year Ended December 31, 2021 $	Expiry Date Range
Non-capital losses available for future periods	3,307,925	2038 to 2041	1,490,228	2038 to 2041

12. SUBSEQUENT EVENTS

The Company entered into a voluntary pooling agreement dated January 3, 2023 and amendment agreements with certain shareholders to revise the escrow restrictions related to an aggregate of 8,200,000 shares issued pursuant to a unit offering, such that 10% of the shares will be released on the Listing Date and 15% of the shares will be released on each of the dates that are 3, 6, 9, 12, 15 and 18 months from the Listing Date. In addition, pursuant to the amendment agreements, escrow restrictions were removed from any warrant shares to be issued upon exercise of 9,200,000 warrants issued pursuant to this unit offering.

On January 24, 2023, the Company issued an aggregate of 1,450,000 options to directors, officers, employees and consultants with an exercise price of $0.30 per share with an expiry date of 5 years from the date of grant. The options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all options fully vest over twenty-four months from the date of grant.

On January 24, 2023, the Company granted 150,000 restricted share units to an officer which vest 4 months from the date of grant.

On February 1, 2023, the Company obtained a receipt for its final prospectus dated January 31, 2023 and the gross proceeds of the Subscription Receipt financing of $4,001,400 held in escrow was released to the Company by the escrow agent. Each Subscription Receipt was automatically converted into one Unit, and the Company issued an aggregate of 13,338,000 common shares and 6,669,000 warrants. In addition, the Company paid cash finder's fees in the aggregate amount $112,752, issued 609,680 Subscription Receipt broker shares and issued an aggregate of 985,520 Subscription Receipt broker warrants (see Note 8).

On April 11, 2023, the Company and McMaster entered into an amendment agreement to the Collaborative Research Agreement, with an effective date of January 1, 2023, to amend the payment schedule including the amendment two payments of $87,500 and $75,000 originally scheduled to be made in 2022 to be amended to be made in 2023 (see Notes 4 and 5).