ENVIROMETAL TECHNOLOGIES INC.

Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2023 and 2022

(Formerly EnviroLeach Technologies Inc.)

(Unaudited, expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

Notice of No Review of Condensed Consolidated Interim Financial Statements

Under National Instrument 51-102, Part 4 subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated interim financial statements of the Company have been prepared and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim statements by an entity's auditor.

EnviroMetal Technologies Inc.
Consolidated Statements of Financial Position
As at March 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash	$ 229,602	$ 429,038
Trade and other receivables (Note 4)	399,291	29,158
Inventories (Note 5)	193,540	239,940
Assets held for sale (Note 6)	668,097	1,187,206
Prepaid expenses and deposits	52,597	80,404
	1,543,127	1,965,746
Non-current assets		
Plant and equipment (Note 8)	830,411	979,904
	830,411	979,904
Total assets	**$ 2,373,538**	**$ 2,945,650**
Liabilities and equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 788,864	$ 681,830
Due to (from) related parties (Note 10)	396,724	252,498
Loan payable (Note 12)	40,000	40,000
Lease liabilities (Note 11)	182,589	262,156
Contingent liability (Note 21)	1,109,026	1,109,026
	2,517,203	**2,345,510**
Non-current liabilities		
Lease liabilities (Note 11)	97,476	108,627
	97,476	108,627
Total liabilities	**2,614,679**	**2,454,137**
Equity		
Share capital (Note 13)	32,207,887	32,202,013
Reserves (Note 13)	9,172,893	9,171,664
Contributed surplus (Note 13)	750,000	750,000
Accumulated deficit	(42,371,921)	(41,632,162)
Equity attributable to shareholders	(241,141)	491,515
Total equity	**(241,141)**	**491,515**
Total liabilities and shareholders' equity	**$ 2,373,538**	**$ 2,945,650**

Going concern (Note 1),Commitments (Note 21), and Subsequent Events (Note 22)
The accompanying notes form an integral part of these consolidated financial statements.
Approved by the Board of Directors of EnviroMetal Technologies Inc. on May 22, 2023

EnviroMetal Technologies Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the three-month periods ended March 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

	March 31, 2023	March 31, 2022
Revenues		
Consulting revenue	-	48,450
Sale of precious and other metals	-	3,463,259
	-	3,511,709
Expenses		
Operating costs	(23,100)	(3,294,761)
Management and Employee costs	(240,779)	(344,424)
General and administration (Note 15)	(279,001)	(446,685)
Share-based payments (Note 13)	(1,230)	-
	(544,110)	(4,085,871)
Loss before other items	**(544,110)**	**(574,162)**
Other items		
Interest income	1,021	649
Interest and financing costs	(8,238)	(10,073)
Amortization (Note 8)	(84,452)	(39,063)
Gain (loss) on disposal of assets	(19,600)	-
Unrealised loss on investment in associate (Note 7)	-	(80,581)
Foreign exchange	271	(4,247)
Loss and comprehensive loss from continuing operations	(110,998)	(133,315)
Loss from continuing opertions	**(655,108)**	**(707,477)**
Loss and comprehensive loss from discontinued operations (Note 18)	(84,651)	(523,984)
Loss and comprehensive loss	**(739,759)**	**(1,231,461)**
Loss and comprehensive loss attributable to:		
Shareholders	(739,759)	(1,231,461)
	(739,759)	**(1,231,461)**
Net loss per common share, basic and diluted	(0.007)	(0.012)
Weighted-average number of common shares outstanding, basic and diluted	107,928,458	99,788,207

The accompanying notes form an integral part of these consolidated financial statements.

EnviroMetal Technologies Inc.

Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2023 and 2022

(Unaudited, expressed in Canadian dollars, except for number of shares amount)

	Share capital		Reserves					
	Shares #	Amount	Share-based payments	Warrants	Contributed surplus	Accumulated deficit	Non-controlling interest	Total Equity
Balance, January 1, 2023	107,928,458	32,202,012	5,781,972	3,389,691	750,000	- 41,632,162	-	$ 491,514
Share based payments	-	5,875	1,230	-	-	-	-	7,105
Net loss for the period	-	-	-	-	-	(739,759)	-	(739,759)
Balance, March 31, 2023	**107,928,458**	**$ 32,207,887**	**$ 5,783,202**	**$ 3,389,691**	**$ 750,000**	**$ (42,371,921)**	**$ -**	**$ (241,141)**

	Share capital		Reserves					
	Shares #	Amount	Share-based payments	Warrants	Contributed surplus	Accumulated deficit	Non-controlling interest	Total Equity
Balance, January 1, 2022	93,696,002	29,726,904	5,343,452	2,421,674	750,000	- 36,116,959	-	$ 2,125,071
Private placement of units (Note 13)	14,232,456	2,614,133	-	943,981	-	-	-	$ 3,558,114
Share issuance costs (Note 13)	-	- 139,025	-	24,036	-	-	-	$ (114,989)
Share based payments	-	-	438,520	-	-	-	-	$ 438,520
Net loss for the period	-	-	-	-	-	(5,515,203)	-	(5,515,203)
Balance, December 31, 2022	**107,928,458**	**$ 32,202,012**	**$ 5,781,972**	**$ 3,389,691**	**$ 750,000**	**$ (41,632,162)**	**$ -**	**$ 491,514**

EnviroMetal Technologies Inc.
Consolidated Statements of Cash Flows
For the three -month periods ended March 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

		March 31, 2023		March 31, 2022
Cash flows from (to) operating activities				
Net loss for the period	$	(739,759)	$	(1,231,461)
Adjustments to reconcile net loss to cash used in operating activities:				
Amortization		145,912		187,634
Loss on disposal and write-down of assets		19,600		23,916
Amortized interest on liabilities		8,087		8,255
Share-based payments		1,230		-
Loss related to investment in associate (Note 7)		-		80,580
Changes in non-cash operating working capital (Note 17)		(44,666)		(55,908)
		(609,596)		**(986,984)**
Cash flows to investing activities				
Net proceeds from sale of assets held for sale		272,959		-
Acquisition of plant and equipment		(3,581)		(187,917)
		269,378		**(187,917)**
Cash flows from (to) financing activities				
Issuance of common shares for private placement		-		3,558,114
Share issuance costs		-		(101,625)
Payment of lease obligations		(88,818)		(94,186)
		(88,818)		**3,362,303**
Increase (decrease) in cash		(429,036)		**2,187,402**
Effects of foreign exchange rates on cash		-		(21,635)
Cash, beginning of period		**429,038**		**784,790**
Cash, end of period	**$**	**229,602**	**$**	**2,950,557**

Supplemental cash flow information (Note 17)
The accompanying notes form an integral part of these consolidated financial statements.

1. Corporate information and going concern

EnviroMetal Technologies Inc. (the Company or EnviroMetal) was incorporated under the Province of Alberta Business Company Act on October 21, 2016. On December 4, 2020, the Company enacted a continuance from the Province of Alberta to the province of British Columbia under the *Business Corporation Act* (British Columbia) and adopted new articles of incorporation. On August 8, 2021, the Company applied for and received a name change from EnviroLeach Technologies Inc. to EnviroMetal Technologies Inc.

The Company specializes in precious metal extraction processes with applications in the primary and secondary metals industries. The Company shares are listed for trading on the Canadian Securities Exchange (CSE) under the symbol "ETI". The Company additionally trades in the United States on the OTCQX venture marketplace under the symbol "EVLLF" and on the Frankfurt Stock Exchange (FSE) under the symbol "7N2".

The Company's registered office is located at 1500, 1055 West Georgia St., Vancouver BC V6E 0B6 and its corporate offices are located at #208 - 6741 Eastlake Drive, Burnaby, BC V3N 4A3.

These unaudited condensed consolidated interim financial statements (Interim Financial Statements) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company incurred a loss of $739,759 for the three-month period ended March 31, 2023 (2022 – loss of $1,231,461) and has an accumulated deficit since inception of $42,371,921 (December 31, 2022 - $41,632,162). There are several adverse conditions which create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company has incurred operating losses since inception, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead obligations. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing and ultimately develop profitable operations. The Company is of the view that these objectives can be met, and that the going concern assumption is appropriate. If the going concern assumption were not appropriate for these Interim Financial Statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenue, expenses and the consolidated statement of financial position classifications used, and such adjustments could be material.

2. Basis of presentation

(a) Statement of compliance

These Interim Financial Statements have been prepared in accordance with *International Accounting Standard ("IAS") 34, Interim Financial Reporting,* using accounting policies consistent with International Reporting Standards, ("IFRS"). These Interim Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements for the Year ended December 31, 2022 (the "2022 Annual Financial Statements"), which have been prepared in accordance with IFRS.

These Interim Financial Statements have been prepared using accounting policies consistent with those in the 2022 Annual Financial Statements. Certain comparative amounts have been reclassified to conform to the current year's presentation.

These Interim Financial Statements were authorized for issue by the Board of Directors on May 22, 2023.

(b) Basis of measurement

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value as disclosed elsewhere in the notes to the consolidated financial statements.

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that may have a significant impact to the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

These Interim Financial Statements are presented in Canadian dollars, unless otherwise indicated.

3. Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements are prepared by consolidating entities that are controlled by the Company. An entity is controlled when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through power over the investee. Power over an entity is the ability to exercise rights that affect the entity's returns (relevant activities). Power may be determined on the basis of voting rights or, in the case of structured entities, other contractual arrangements. The determination of control is based on the current facts and circumstances and is continuously assessed. In some circumstances, different factors and conditions may indicate that different parties control an entity depending on whether those factors and conditions are assessed in isolation or in totality. Significant judgment is applied in assessing the relevant factors and conditions in totality when determining whether an entity is controlled. Specifically, judgment is applied in assessing whether the Company has substantive decision-making rights over the relevant activities. Controlled entities are consolidated from the date control is obtained and consolidation is ceased when an entity is no longer controlled by the Company. Non-controlling interest in subsidiaries that are consolidated is shown on the consolidated statements of financial position as a separate component of equity which is distinct from equity attributable to shareholders. The net income attributable to non-controlling interests is separately disclosed in the consolidated statements of loss and comprehensive loss.

(b) Functional and presentation currencies and foreign currency translation

The functional currency of the Company is determined using the currency of the primary economic environment in which the Company operates, the Canadian dollar. The presentation currency is also the Canadian dollar.

In preparing the financial statements of the Company, transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at rates prevailing at the reporting dates and are recognized in profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Cash

Cash includes cash on deposit in Canadian banks and are subject to negligible risk of changes in value and other short-term highly liquid investments with original maturities of three months or less. As at March 31, 2023, the Company had cash of $229,602 (December 31, 2022 - $429,038), including restricted cash of $130,000 (December 31, 2022 - $130,000). Included in cash are investments in guaranteed investment certificates ("GICs") of $40,000 that are carried at fair value.

(d) Inventories

Inventories consist of raw materials and supplies to be consumed in operating and research activities and include consumables and spare equipment for the gold concentrate processing pilot plant. All inventories are measured at the lower of cost and net realizable value in accordance with IAS 2. The cost of inventories is based on weighted average cost formula, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. When inventories are consumed or sold the related costs are expensed in the period the revenue is recognized. At each reporting period mineral concentrates for processing and precious metal finished goods are held at net realizable value, and carrying values are updated with assay results from downstream customers.

(e) Assets held for sale

The Company has accounted for assets held for sale in accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*. Items classified as assets held for sale are non-current assets and liabilities that will be recovered principally through a sale transaction rather than continual use. This condition is satisfied when the asset is available for immediate sale in its present condition, management is committed to the sale, and it is highly probable to occur within one year. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less selling costs and, if significant, are presented separately from other assets as current assets on the Consolidated Statements of Financial Position. If assets are held for longer than 12 months, the Company records a provision for the expected decrease in sales value.

(f) Intangible assets, plant, and equipment

Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation and impairment losses, if any. Costs directly attributable to the acquisition or construction of plant and equipment are also capitalized as part of the costs. Repairs and maintenance are charged to the consolidated statement of loss and comprehensive loss during the financial period in which they are incurred. Upon retirement, disposal or destruction of an asset, the cost and related depreciation are removed from the accounts and any gain or loss is included in the consolidated statement of loss and comprehensive loss. Plant and equipment assets are tested for impairment if events or circumstances indicate that the assets might be impaired.

Technology

Technology assets are the costs of acquiring rights to proprietary technologies for the concentration and extraction of valuable metals for use in the mining and waste processing industries. The expected future economic benefits support the carrying value, which will be amortized over its estimated useful life, expected to be 10 years. These assets are tested for impairment if events or circumstances indicate that the assets might be impaired.

Depreciation

Depreciation is based on estimated useful lives of the assets on a straight-line basis, as follows:

Plant and equipment	7 to 10 years
Vehicles	5 years
Office furniture and fixtures	3 to 5 years
Technology	10 years
Patents	Life of patent (20 years)

The assets' residual values, method of depreciation and useful lives are reviewed and adjusted, if appropriate, at least annually.

(g) Leases

In accordance with *IFRS 16 Leases*, as of January 1, 2018, at the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the "right-of-use" asset) unless the underlying asset has a low value or the lease term is twelve months or less, in which case leases are expensed in the period incurred. At commencement date, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The right-of-use asset is then amortized using the straight-line method from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset may also be reduced for any impairment losses, if any.

At the lease commencement date, the lease liability is measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate, which is the rate the Company would pay for similar assets at similar locations over a similar term, as the discount rate. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is re-measured when there is a change in future lease payments due to a change in an index or rate, a change in the Company's estimate of an amount payable under residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, termination or extension option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Revenue recognition

The Company derives revenue from the sale of precious metals in a concentrate or pure form, licensing fees and consulting fees. In accordance with *IFRS 15 Revenue from Contracts with Customers*, the Company recognizes revenue using the following 5 steps:

1. Identify that a contract exists
2. Identify performance obligations
3. Determine price
4. Allocate price to performance
5. Recognize performance is completed

Revenue streams are as follows:

Sales of precious and other metals

The Company sells precious and other metals to smelters and refiners for final transformation into investment grade precious metals or commercial grade base metals. These smelters and refiners have over-arching agreements that govern how materials flows will be accounted for at the point of sale. The sale is recorded at the point in time when performance obligation is met, and when the risk and rewards of ownership is passed on to the smelting or refining companies, which is the date that they acknowledge receipt of the goods via waybill or bill of lading. The transaction price is determined over time, with provisional payments based on the market value of the marketable metals at the time of delivery (using the average price from the previous month) and adjusted at the time of the final settlement. As the Company does not use forward contracts, there may be provisional adjustments to the price received from the sale of materials for up to 6 months or more after initial delivery.

Sale of intellectual property

The Company sells intellectual property, processes, and patented knowledge in the form of licenses, territories and/or exclusivity agreements. The transaction price is determined with the customer prior to contract execution for an effective date in the future. Control is transferred when both the effective date of the contract has passed and there is no further ongoing involvement of management in the use of the intellectual property. The Company's performance obligation is the creation and delivery of Intellectual property rights. Those rights do not require ongoing maintenance and are based on time. The revenue associated is recorded on a straight-line basis based on the period of the agreement and where the term of the agreement is indefinite the revenue is recorded based on the estimated useful life of the rights sold.

Consulting services

The services are sold to companies operating in the mining and/or recycling industries and primarily relate to the design and implementation of the Company's intellectual property, catered to the client's needs. Services rendered are measured either using time as the basis for measurement, or achievement of pre-determined milestones. The primary time basis of measurement is labour hours for technical analysis, and the primary milestones would be delivery of digital report, investigatory result, or completion of a project. For consulting services where the sales model is uncapped hours with a report to formalize completion, revenue is recorded as the input hours are measured. When a project has a fixed value, and the duration is longer than one period revenue is recorded based on actual hours as a percentage of budgeted. When a project has a fixed value and the duration is within a period, revenue is recorded on the delivery of the final milestone, usually a technical report.

(i) Impairments

Non-financial assets

At each reporting date, the Company reviews its intangible assets, plant and equipment at the cash generating unit ("CGU") level to determine whether there is any indication that these assets are impaired. If any such indication exists, the recoverable amount of the relevant CGU is estimated in order to determine the extent of impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company has two CGUs; (1) E-waste and mineral processing; and (2) performing technical services related to implementing its proprietary technology for the extraction of precious metals for the mining and E-waste industries. These two revenue streams have independent labour pools, locations, and client profiles and as such are separated for the purposes of CGU analysis.

Impairment of a CGU is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For fair value less costs to sell, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Discounted cash flow techniques require management to make estimates and assumptions concerning future production revenues and expenses. The determination of discounted cash flows is dependent on many factors, including future metal prices, production schedules, production costs, sustaining capital expenditures and plant closure and site rehabilitation costs. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized in profit and loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there had been a change in the estimates used to determine the recoverable amount. If an impairment is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods.

(j) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of past events for which it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the present value of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(k) Government assistance

Amounts received or receivable resulting from government assistance programs are recognized where there is reasonable assurance that the amount of government assistance will be received, and all attached conditions will be complied with. When the amount relates to an expense item, it is recognized as a reduction against the costs it is intended to compensate. When the amount relates to an asset, it reduces the carrying amount of the asset and is then recognized as income over the useful life of the depreciable asset by way of a reduced depreciation charge.

(l) Share-based compensation

The Company has a share-based compensation plan described in Note 13. Compensation costs are measured at the grant date based on the fair value of the award and are recognized on a graded basis over the vesting period in profit and loss, with a corresponding increase to reserves. Upon exercise, common shares are issued from treasury and the amount reflected in reserves is credited to share capital, as adjusted for any consideration paid.

The Black-Scholes option pricing model is used to determine the fair value of new grants. This model incorporates subjective assumptions, including volatility and expected life. At the end of each reporting period, the Company reviews and adjusts the amount recognized as an expense based on the number of options expected to vest. The impact of the revision, if any, is recognized in profit and loss, with a corresponding adjustment to reserves.

Options issued to non-employees are measured based on the fair value of the services received at the date of receiving those services. If the fair value of the goods or services cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

(m) Share capital

The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction from the proceeds of issuance.

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to reserves. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in reserves is recorded as an increase to share capital. Upon expiration of warrants, the amount applicable to warrants expired is recorded as an increase to share capital.

(n) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted-average number of outstanding common shares for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted-average number of outstanding common shares for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares. The weighted average number of common shares used to calculate the dilutive effect assumes that the proceeds that could be obtained upon exercise of stock options would be used to purchase common shares at the average market price during the period.

In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options would be anti-dilutive.

(o) Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the periods presented, comprehensive loss was the same as net loss.

(p) Non-controlling interest

Non-controlling interest represents equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income and other comprehensive income is recognized directly in equity even if the results of the non-controlling interest have a deficit balance.

The Company recognizes transactions with non-controlling interest as transactions with equity shareholders. Changes in the Company's ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. Following a change in control, any non-controlling interest that represents amounts owing to the counterparty are recognized as a current liability.

(q) Financial instruments

On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification of financial assets is made in accordance with their contractual cash flow characteristics and the business models under which they are held.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit and loss. Gains or losses on equity financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's financial assets are cash, trade and other receivables, excluding taxes.

Financial assets at amortized cost

At each reporting date, the Company assesses whether there has been a significant increase in credit risk that would provide objective evidence that a financial asset at amortized cost is impaired. The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less any impairment using the effective interest method. They ae classified as current or non-current based on their maturity dates.

Financial assets at FVTPL

Financial assets at FVTPL are initially recognized at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also recognized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investment in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Financial Liabilities

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities are its accounts payable and accrued liabilities, due to related parties, lease liabilities, loan payable and contingent liabilities. Financial liabilities are classified as current or non-current based on their maturity dates. Financial liabilities held for trading or designated at fair value through profit or loss are subsequently carried at fair value with gains and losses recognized in profit or loss.

Non-controlling interest, derecognized as equity during the year is held at amortized cost and gains or losses on settlement will be recognized through profit and loss.

(r) Investments in associates

Investments in associated corporations and limited partnerships over which the Company has significant influence are accounted for using the equity method. The equity method is also applied to interests in joint ventures over which joint control has been established. Under the equity method of accounting, investments are initially recorded at cost, and the carrying amount is increased or decreased to recognize our share of the investee's net profit or loss, including the proportionate share of the investee's other comprehensive income ("OCI"), subsequent to the date of acquisition.

(s) Provisions, contingent liabilities, and contingent assets

Provisions are recognised when the Company has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably. A contingent liability is not recognized but is disclosed in the notes to the financial statements when a change in the probability of an outflow occurs so that the outflow is probable, it will be recognized as a provision.

(Unaudited, expressed in Canadian dollars)

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

4. Trade and other receivables

The following table provides details on the trade and other receivables at March 31, 2023 and December 31, 2022:

		March 31, 2023		December 31, 2022
Trade	$	390,890	$	9,575
Government subsidies		3,414		-
Taxes		-		14,596
Due from related party		4,987		4,987
	$	**399,291**	**$**	**29,158**

The following table provides details on the aging of trade and other receivables at March 31, 2023 and December 31, 2022:

		March 31, 2023		December 31, 2022
Aged 1 – 30 days	$	394,304	$	24,388
Aged 31 – 60 days		-		4,400
Aged 61 – 90 days		4,987		-
Aged > 90 days				370
	$	**399,291**	**$**	**29,158**

5. Inventory

The Company's inventory at March 31, 2023 and December 31, 2022 consisted of the following:

		March 31, 2023		December 31, 2022
Parts	$	-	$	46,400
Chemicals		193,540		193,540
	$	**193,540**	**$**	**239,940**

Parts consist of equipment and parts used in the Company's pilot plant and which are not included in Property, Plant and Equipment (Note 8). Chemicals include chemicals and other reagents used in pilot plant and lab operations. If evidence of impairment exists inventories are written down to net realizable value. Inventory write-downs are recognized as an expense and included in the statement of loss and comprehensive loss. During the period ended March 31, 2023, the Company sold equipment held in inventory recognizing $26,800 from the sale and a write-down of $19,600.

(Unaudited, expressed in Canadian dollars)

Costs of inventories recognized as an expense during March 31, 2023, and years ended December 31, 2022, are as follows:

		March 31, 2023		December 31, 2022
Opening inventory	$	239,940	$	4,058,440
Purchased		-		853
Consumed		-		(3,691,503)
Sold		(26,800)		-
Loss on sale		(19,600)		(127,850)
Closing balance	**$**	**193,500**	**$**	**239,940**

6. Assets held for sale

During 2022 the Company ceased processing E-waste, as further discussed in Note 18. As a result of this management determined the value of the E-waste processing assets would principally be recovered through a sale transaction rather than continued use. At December 31, 2022, the Company reclassified $997,401 in property plant and equipment assets to assets held for sale. The assets reclassified as assets held for sale were measured at the lower of carrying amount and fair value less selling costs.

Assets held for sale at March 31, 2023 and December 31, 2022 consisted of the following:

		March 31, 2023		December 31, 2022
Opening balance	$	1,187,206	$	326,947
Additions		-		997,401
Sold		(562,119)		(25,001)
Gain on sales		43,010		(112,141)
Closing balance	**$**	**668,097**	**$**	**1,187,206**

7. Investment in Group 11

During the year ended December 31, 2020, the Company acquired 12,000,000 shares if Group 11 Technologies Inc. ("Group 11"), a US-based technology firm, representing 40% of the issued and outstanding shares of Group 11. In exchange for the initial 40% ownership position, EnviroMetal granted Group 11 a license to use the Company's metal extraction technology. On initial recognition, the licensing fee was recorded at cost, being $750,000. During the Year ended December 31, 2021, Group 11 completed a private placement financing resulting in the issuance of additional shares and a dilution of the Company's ownership to 34.46%

The Company has determined it exercises significant influence over Group 11 and accounts or this investment using the equity method of accounting. As at December 31, 2022, Group 11 had severely constrained its activities was financing is unavailable in its market. As a result, the Company determined its investment to be unrecoverable and wrote the balance of its investment off through its statement of loss and comprehensive income (loss).

Concurrent with the licensing agreement, the Company entered into a support and services agreement with Group 11, which was amended effective February 28, 2022. Under the terms of the amended support and services agreement, the Company will earn a minimum aggregate fee of $750,000 for support services provided prior to

(Unaudited, expressed in Canadian dollars)

August 28, 2024. During the year ended December 31, 2022, the Company billed Group 11 $70,796 (2021 - $165,071) for work performed under the services agreement.

8. Plant and equipment

The Company's property, plant and equipment at March 31, 2023 and Dec 31, 2022 is as summarized below:

		Equipment		Right of Use		Office Fixtures		Computers		Vehicle		Total
Costs												
Opening balance - Jan 1, 2022	$	4,594,065	$	1,592,526	$	162,409	$	41,391	$	20,158	$	6,410,549
Additions		213,217		247,950		199,359		-		-		660,526
Transfers		(1,432,605)		-		-		-		-		(1,432,605)
Closing balance - Dec 31, 2022	$	3,374,677	$	1,840,476	$	361,768	$	41,391	$	20,158	$	5,638,470
Depreciation and impairment												
Opening balance - Jan 1, 2022	$	2,897,407	$	1,155,056	$	144,376	$	41,391	$	3,024	$	4,241,254
Additions		446,825		341,634		60,024		-		4,032		852,515
Transfers		(435,203)		-		-		-		-		(435,203)
Closing balance - Dec 31, 2022	$	2,909,029	$	1,496,690	$	204,400	$	41,391	$	7,056	$	4,658,566
Net book value – Dec 31, 2022	**$**	**465,648**	**$**	**343,787**	**$**	**157,368**	**$**	**-**	**$**	**13,102**	**$**	**979,904**

		Equipment		Right of Use		Office Fixtures		Computers		Vehicle		Total
Costs												
Opening balance - Jan 1, 2023	$	3,374,677	$	1,840,476	$	361,768	$	41,391	$	20,158	$	5,638,470
Additions		-		-		(3,581)		-		-		-
Transfers		-		-		-		-		-		(3,581)
Closing balance - March 31, 2023	$	3,374,677	$	1,840,476	$	358,187	$	41,391	$	20,158	$	5,634,889
Depreciation and impairment												
Opening balance - Jan 1, 2023	$	2,909,029	$	1,496,690	$	204,400	$	41,391	$	7,056	$	4,658,566
Additions		39,610		88,818		16,477		-		1,007		145,912
Transfers		-		-		-		-		-		-
Closing balance – March 31, 2023	$	2,948,639	$	1,585,508	$	220,877	$	41,391	$	8,063	$	4,804,478
Net book value – March 31, 2023	**$**	**426,038**	**$**	**254,968**	**$**	**137,310**	**$**	**-**	**$**	**12,096**	**$**	**830,411**

(Unaudited, expressed in Canadian dollars)

9. Accounts payable and accrued liabilities

A summary of accounts payable and accrued liabilities at March 31, 2023 and December 31, 2022 are as follows:

		March 31, 2023		December 31, 2022
Accounts payable	$	517,611	$	207,951
Accrued liabilities		271,253		473,879
	$	**788,864**	**$**	**681,830**

These amounts are unsecured, non-interest bearing, without specific repayment terms and have been incurred in the normal course of business.

10. Related party transactions

Related parties include directors and key management of the Company and entities controlled by these individuals. Key management personnel consists of senior management including the Chief Executive Officer.

At March 31, 2023 and December 31, 2022, the outstanding payables to related parties were:

		March 31, 2023		December 31, 2022
Board fees and related expenses	$	274,160	$	252,498
Consulting fees		122,564		-
	$	**396,724**	**$**	**252,498**

These amounts are unsecured, non-interest bearing, without specific repayment terms, are due on demand and have been incurred in the normal course of business. All transactions involving related parties are made on terms equivalent to those which prevail with arm's length transactions.

Compensation paid or accrued to directors and key management during the period ended March 31, 2023 and 2022 are as follows:

		March 31, 2023		March 31, 2022
Salaries and consulting fees	$	177,500	$	177,500
Directors fees		69,018		64,126
Other		-		4,200
	$	**246,518**	**$**	**245,826**

11. Leases

The Company's right of use assets is included in plant and equipment (Note 8). The imputed financing costs for lease liabilities were determined based on the Company's incremental borrowing rate and finance lease terms available to similar sized natural resource focussed companies, which was estimated to be 11.48% for equipment and 10.96% for buildings. Lease liabilities recognized at March 31, 2023 and December 31, 2022 are as follows:

(Unaudited, expressed in Canadian dollars)

		March 31, 2023		December 31, 2022
Lease liabilities, opening balance	$	370,781	$	451,493
Remeasurement adjustment		(9,985)		258,301
Payment of lease liabilities		(88,818)		(377,587)
Interest expense		8,087		38,574
Lease liabilities, closing balance	**$**	**280,065**	**$**	**370,781**
Lease liabilities, current		182,589		262,156
Lease liabilities, non-current		97,476		108,625
Lease liabilities, closing balance	**$**	**280,065**	**$**	**370,781**

12. Loan payable

Loan payable at March 31, 2023 and December 31, 2022 consists of an interest-free loan of $40,000 from the government of Canada pursuant to the CEBA program. Repaying the balance of the loan on or before December 31, 2023 will result in a loan forgiveness of $10,000.

13. Share capital

(a) Capital stock

Authorized capital stock consists of an unlimited number of common shares, without par value.

On March 31, 2022, the Company closed a non-brokered private placement of 14,232,456 units at a price of $0.25 per unit for gross proceeds of $3,558,114. Each Unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one common share in the capital of the Company at a price of $0.50 at any time within prior to the 24-month anniversary date of closing. In connection with the private placement, the Company paid finder's fees of $59,455 and issued 237,820 compensation warrants valued at $24,036 and incurred $55,534 in other issuance costs.

(b) Share-based payments

The Company's equity compensation plan (2020 Plan) was approved by shareholders on November 24, 2020. Per the 2020 Plan the aggregate number of shares reserved for issuance shall not exceed 20% of the Company's issued and outstanding common shares on the date of grant. Options that are exercised, expired or otherwise terminated for any reason shall again be available for the purpose of granting options pursuant to the 2020 Plan. The 2020 Plan allows for options to be issued to directors, officers, employees and consultants of the Company or a subsidiary of the Company. Options granted must be exercised no more than five years from the date of grant or such lesser period as may be determined by the Company's board of directors and in accordance with the policies of the Canadian Securities Exchange. The board of directors also determines the time period during which options shall vest and the method of vesting which are also subject to the policies of the Canadian Securities Exchange.

The grant date fair value is calculated using the Black-Scholes option pricing model. Where relevant, the expected life has been adjusted based on management's best estimate for the effects of historical forfeitures and behavioral considerations. Expected volatility is based on the historical share price volatility. Stock based compensation was $1,230 for the period ended March 31, 2023 (March 31, 2022 - $nil).

(Unaudited, expressed in Canadian dollars)

The Black-Scholes option valuation model input factors for stock options granted in 2023 and 2022 were as follows:

	February 17, 2023	**October 25, 2022**	**February 15, 2021**
Exercise price	$0.15	$0.38	$0.70
Grant date market price	$0.07	$0.38	$0.70
Risk free interest rate	3.29%	0.74%	0.74%
Expected life (years)	2.00	3.75	4.19
Expected volatility	99.62%	83.85%	87.86%
Dividend yield	-	-	-
Fair value	$0.0246	$0.2238	$0.4458

The following tables summarize the number of stock options that the Company has outstanding and exercisable at March 31, 2023:

	Number of stock options outstanding		**Weighted average exercise prices**
Balance, December 31, 2021	**7,660,000**	**$**	**0.66**
Granted	5,925,000		0.25
Expired/cancelled	(3,600,000)		0.41
Balance, December 31, 2021	**9,985,000**	**$**	**0.51**
Granted	200,000		0.15
Expired/cancelled	(100,000)		0.50
Balance, March 31, 2023	**10,085,000**	**$**	**0.50**
Exercisable, March 31, 2023	**9,935,000**	**$**	**0.51**

The following table summarizes the stock options the Company has outstanding at March 31, 2023:

Expiry date		**Exercise price**	**Number of stock options**	**Weighted average years to expiry**
April 12, 2023	$	1.65	100,000	0.03
July 18, 2023		1.20	25,000	0.30
March 1, 2024		0.76	1,275,000	0.92
June 6, 2024		0.25	5,525,000	1.18
June 14, 2024		0.96	200,000	1.20
October 24, 2024		.025	350,000	1.57
December 11, 2024		1.45	725,000	1.70
February 16, 2025		0.15	200,000	1.57
April 24, 2025		0.76	1,250,000	2.07
October 15, 2025		0.46	400,000	2.54
August 20, 2026		0.38	35,000	3.39
	$	**0.51**	**10,085,000**	**1.36**

The reserves, $9,172,893 (December 31, 2022: $9,171,664) record items recognized as share-based payments expense and compensation warrant issuing costs until such time that the underlying stock options and warrants are exercised, at which time the corresponding amounts will be transferred to share capital. The Company recognizes amounts received for issuing equity above par value as contribute surplus.

(Unaudited, expressed in Canadian dollars)

(c) Warrants

During the period ended September 30, 2022, the Company completed a non-brokered private placement in two tranches and issued a total of 14,232,456 share purchase warrants and 237,820 compensation warrants. On February 18, 2021, a total of 13,026,000 share purchase warrants and 172,320 compensation warrants ("February Warrants") were issued on the closing of the first tranche of the private placement and on March 31, 2021, a total of 1,206,456 share purchase warrants and 65,500 compensation warrants ("March Warrants") were issued on the closing of the second and final tranche of the private placement.

Using the Black-Scholes pricing model, the fair value of the February Warrants was estimated at $1,324,744 and the fair value of the March Warrants was estimated at $109,367. The key inputs into the Black-Scholes pricing model were a grant date share price of $0.28, risk-free interest rate of 1.49%, expected life of 2 years, expected annualized volatility of 95.33% and expected dividend yield of 0%. The Company has allocated the gross proceeds from unit issuances between common shares and warrants using their relative fair values.

As at March 31, 2023 and December 31, 2022, there were 14,470,276 warrants are outstanding, as follows:

	Number of warrants outstanding		Weighted average exercise prices
Balance, December 31, 2022	**21,210,252**	**$**	**0.58**
Issued	14,470,276		0.50
Expired/cancelled	(21,210,252)		0.58
Balance, December 31, 2022	**14,170,276**	**$**	**0.50**
Issued	-		-
Expired/cancelled	-		-
Balance, March 31, 2023	**14,470,276**	**$**	**0.50**

The following table summarizes the share purchase warrants the Company has outstanding at March 31, 2023:

Expiry date		Exercise price	Number of warrants outstanding	Weighted average years to expiry
February 18, 2024		0.50	13,198,320	0.88
March 31, 2024		0.50	1,271,956	1.00
	$	**0.50**	**14,470,276**	**0.89**

14. Government stimulus subsidies

The National Research Council of Canada Industrial Research Assistance Program ("IRAP") provides companies with qualifying research projects with a monthly financial grant based on eligible wages expenses. During the three-month period ended March 31, 2023 the Company recognized $14,546 (2022 - $40,904) in government wage subsidy income as reductions of management and employee costs.

(Unaudited, expressed in Canadian dollars)

15. Nature of expenses

The components of general and administration for the three-month periods ended March 31, 2023, and 2022 were as follows:

		March 31, 2023		March 31, 2022
Consulting fees	$	93,000	$	195,900
Office and general		63,702		63,047
Professional fees		46,398		85,428
Public company costs		94,864		214,117
Travel		11,167		(10,376)
Attributable to discontinued operations		(30,130)		(101,431)
	$	**279,001**	**$**	**446,685**

16. Discontinued Operations

In 2022, the Company discontinue processing E-waste at its EnviroCircuit facility. Consequently, at December 31, 2022, assets and liabilities allocable to EnviroCircuit were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from the Company's continuing operations and are shown as a single line item in the consolidated statement of profit and loss.

		March 31,2023		March 31, 2022
Revenue	**$**	**17,172**	**$**	**244,257**
Operating costs		-		(316,760)
Management and employee costs		(53,234)		(180,953)
General and administration		(30,130)		(101,431)
Depreciation and amortization		(61,460)		(148,571)
Gain (loss) from disposal of assets		43,010		(20,527)
Loss from discontinued operations	**$**	**(84,651)**	**$**	**(523,984)**

The carrying values of the assets and liabilities in the disposal group are summarized as follows:

		March 31, 2023		December 31, 2022
Current assets				
Accounts receivable		373,067		-
Assets held for sale		668,097		1,187,207
	$	1,041,164	$	1,187,207
Non-current assets				
Property, plant and equipment	$	-	$	-
Current liabilities				
Accounts payable	$	31,069	$	-
Leases		64,975		128,913
	$	**97,557**	**$**	**324,472**

17. Supplemental cash flow disclosures

Supplemental details of the changes in non-cash working capital for the three-month periods ended March 31, 2023, and 2022 were as follows:

		March 31, 2023		March 31, 2022
Trade and other receivable	$	(370,133)	$	(60,476)
Inventories and assets held for sale		46,400		3,584,939
Prepaid expenses and deposits		27,807		18,316
Deferred revenues		-		(15,700)
Due to related parties		144,226		-
Accounts payable and accrued liabilities		107,034		(3,582,987)
	$	**(44,666)**	**$**	**(55,908)**

18. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or acquire new debt. The Company does not currently pay dividends.

The realization of the Company's long-range strategic objectives is dependent on its ability to generate revenues and raise financing from shareholders or lenders. Management continues to regularly review and consider financing alternatives to fund the Company's future operations and development efforts.

The Company considers the components of shareholders' equity to be its capital. The Company is not subject to any externally imposed capital requirements.

19. Financial instruments and risks

The Company's current business involves consulting for clients, licensing its proprietary technology for the extraction of precious metals for the mining and E-waste industries and select processing of ores and concentrates, which exposes the Company to a variety of financial instrument related risks. These risks include foreign currency risk, credit risk, liquidity risk, market risk and other risks. The Company's board of directors provides oversight for the Company's risk management processes.

(a) Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries or currencies. The Company mainly transacts in Canadian dollars and United States dollars. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At March 31, 2023, the Company was not exposed to significant interest rate risk.

(Unaudited, expressed in Canadian dollars)

At March 31, 2023, the Company has net liabilities of $17,890 (USD $13,220) due in USD (December 31, 2022 - $6,390 (USD $4,673)). A 10% weakening against the US dollar of the currencies to which the Company had exposure would have had a $1,789 impact on net liabilities (December 31, 2022 - $639). A 10% strengthening against the US dollar would have had the opposite effect.

(b) Credit risk

The Company's credit risk is primarily attributable to cash and trade and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of accounts at reputable financial institution, from which management believes the risk of loss to be remote. In Canada, federal deposit insurance covers balances up to $100,000. Financial instruments included in receivables consist of amounts due from government agencies. At March 31, 2023, management considers the Company's exposure to credit risk is minimal. Aging of trade and other receivables as disclosed in Note 4.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at March 31, 2023, the Company had a cash balance of $229,600 (December 31, 2022 - $429,038) to settle current liabilities of $2,469,046 (December 31, 2022 - $2,345,510).

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
March 31, 2023					
Trades payable and accrued liabilities	$ 788,864	$ -	$ -	$ -	$ 788,864
Due to related parties	396,724	-	-	-	396,724
CEBA loan	40,000	-	-	-	40,000
Lease liabilities	182,589	97,476	-	-	280,065
Contingent liability	1,109,026	-	-	-	1,109,026
December 31, 2022					
Trades payable and accrued liabilities	$ 681,830	$ -	$ -	$ -	$ 681,830
Due to related parties	252,498	-	-	-	252,498
CEBA loan	40,000	-	-	-	40,000
Lease liabilities	262,156	108,625	-	-	370,781
Contingent liability	1,109,026	-	-	-	1,109,026

The Company is not yet profitable and has relied on the issuance of equity securities, primarily through private placements and loans from related and other parties to fund its operations. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or other funding.

(Unaudited, expressed in Canadian dollars)

(d) Fair value

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value in the fair value hierarchy.

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

Level 2: Valuation techniques using input 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);

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data.

The carrying value of the Company's financial assets and liabilities approximate their fair values due to their nature and their short-term to maturity.

20. Segmented information

The executive committee headed by the CEO, has been identified by the group as the chief operational decision maker responsible for assessing the performance and allocation of resources of the group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The identification of reportable segments is determined based on a consideration of products and services, organizational structures, geographical areas, economic and regulatory environments and the separable nature of activities or conversely inherent interconnectedness and whether these meet the criteria for aggregation.

Management assesses information relating to the performance of the single segment on multiple levels and from multiple perspectives. All elements are regarded as inter-connected and as such, no part of the business is regarded as separable from the rest.

The total revenue recorded during the three-month periods ended March 31, 2023, and 2022 from continuing operations is allocated to the following income streams:

		March 31, 2023		March 31, 2022
Sales of precious and other metals	$	-	$	3,463,259
Services related to intellectual property		-		48,450
	$	**-**	**$**	**3,511,709**

21. Commitments and contingencies

As at March 31, 2023 and December 31, 2022, the Company does not have contractual obligations other than disclosed in the consolidated financial statements.

EnviroMetal commenced a civil action against Regenx Technologies Corp. (formerly "Mineworx Technologies Ltd.") and related parties (jointly, the Mineworx Defendants) in the Supreme Court of British Columbia in June 2021.

The claims against the Mineworx Defendants include, among other things, the following:

- The Mineworx Defendants, through various agreements with EnviroMetal, gained access to certain of

EnviroMetal's intellectual property relating to the development and commercialization of environmentally friendly chemical formulas and technologies for use in the treatment of materials in the primary and secondary metals industries. EnviroMetal has since terminated those access agreements.

- Because access to EnviroMetal's IP has been terminated and without a license from EnviroMetal, the Mineworx Defendants are not entitled to use or otherwise exploit any of EnviroMetal's IP.
- The Mineworx Defendants have failed to comply with EnviroMetal's notices to cease and desist using EnviroMetal's IP and they continue to make public statements in relation to their purported ability to develop and commercialize "proprietary, environmentally friendly processing technologies for the recovery of precious metals."
- Absent the prior access to EnviroMetal's IP, the Mineworx Defendants lacked the scientific or technical resources and capabilities to develop and commercialize "proprietary, environmentally friendly processing technologies for the recovery of precious metals."

The Mineworx Defendants are purporting to be competing with EnviroMetal in the recovery of platinum group metals from spent catalysts using a chemical formula and process based on EnviroMetal's IP without a license to do so from EnviroMetal. These actions by the Mineworx Defendants are in breach of the access agreements, confidentiality agreements, as well as the asset purchase agreement between Mineworx and EnviroMetal dated December 19, 2016. These actions also constitute breach of confidence.

EnviroMetal is seeking, among other relief from the court, general, aggravated, and punitive damages against the Mineworx Defendants, an injunction prohibiting the Mineworx Defendants from using any confidential information or intellectual property belonging to EnviroMetal, and disgorgement of profit arising from such unauthorized use.

In January 2022, the court granted EnviroMetal's application for an injunction that, amongst other things, prohibits the Mineworx Defendants from disclosing any confidential information or intellectual property belonging to EnviroMetal until further court order.

Mineworx disputes EnviroMetal's claims and has commenced a counterclaim against EnviroMetal for, amongst other things, alleged breaches of various agreements between the parties. Some of Mineworx's claims are subject to arbitration clauses. As a result, Mineworx has served EnviroMetal with a notice to arbitrate those claims. EnviroMetal believes there are no merits to the claims.

Prior to commencing the legal action against Mineworx, the Company provided the Mineworx Defendants with notices of breach and provided the required amount of time to remedy. The Joint Venture was terminated on April 5, 2021, and no further non-controlling interest was recorded as of June 30, 2021. In accordance with IFRS 9, the Company recorded an expected credit loss of $473,709 related to amounts due to the Company from Mineworx during year ended December 31, 2021.

Due to the ongoing dispute with Mineworx, the final settlement value, if any, of the non-controlling interest is subject to significant uncertainty, and as such until judgement is rendered or settlement occurs the Company will recognize a contingent liability of $1,109,026, the amount recognized in the Company's consolidated financial statements at the time the joint venture was terminated. The Company believes that the maximum exposure is not representative of the actual potential loss exposure.

22. Subsequent events

The Company has no reportable events Subsequent to March 31, 2023.