EXTREME VEHICLE BATTERY TECHNOLOGIES CORP.

(formerly Global Elsimate Capital Corp)

Interim Consolidated Financial Statements

July 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

EXTREME VEHICLE BATTERY TECHNOLOGIES CORP.
(formerly Global Elsimate Capital Corp)

Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

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

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

EXTREME VEHICLE BATTERY TECHNOLOGIES CORP.
(formerly Global Elsimate Capital Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	July 31, 2021 $	January 31, 2021 $
Assets		
Current assets		
Cash	2,200,496	438,276
GST/ HST receivable	267,952	64,000
Deposits and prepaid expenses	171,600	51,625
Other receivable	-	-
Short-term investment (Note 4)	1	1
Total current assets	2,640,049	553,902
Non-current assets		
Intangible Asset-License (Note 6)	910,278	960,278
Total non-current assets	910,278	960,278
Total assets	3,550,327	1,514,180
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	818,177	1,136,741
Due to related parties (Note 5)	58,958	616,925
Current liability of license acquisition fee (Note 6)	800,000	500,000
Notes payable (Note 7)	44,723	44,157
Income tax payable	4,332	4,332
Long Term Liabilities		
Long term liability of license acquisition fee (Note 6)	-	400,000
CEBA Loan (Note 7)	44,226	41,920
Total liabilities	1,770,416	2,744,075
Shareholders' equity		
Share capital (Note 8)	24,397,061	15,452,978
Equity reserves	1,791,593	1,792,550
Accumulated other comprehensive loss	(3,048)	(3,445)
Deficit	(24,405,695)	(18,471,978)
Total shareholders' equity	1,779,911	(1,229,895)
Total liabilities and shareholders' equity	3,550,327	1,514,180

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved and authorized for issuance by the Board of Directors on September 7, 2021:

/s/ "Ric Wilson"
Ric Wilson, Audit Committee Chair

/s/ "Bryson Goodwin"
Bryson Goodwin, CEO

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

EXTREME VEHICLE BATTERY TECHNOLOGIES CORP.
(formerly Global Elsimate Capital Corp.)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

		Three months ended July 31, 2021 $	Three months ended July 31, 2020 $	Six months ended July 31, 2021 $		Six months ended July 31, 2020 $
Revenue	$	-	-	-	$	-
Expenses						
Advertising		1,718,626	375,750	4,551,022		398,250
Amortization (Note 6)		25,000	-	50,000		-
Consulting fees (Note 5)		144,000	9,000	662,500		18,000
Foreign exchange loss		1,032	(2,958)	(1,840)		977
Interest expense (Note 7)		1,436	-	2,872		-
Management fees		27,500	-	55,000		-
Office and general (Note 5)		64,523	10,792	92,251		25,692
Professional fees		67,246	56,584	117,282		114,168
Salaries and wages (Note 5)		20,000	150,000	80,000		300,000
Research and development		244,558	-	328,164		-
Share-based compensation (Note 10)		2,077	-	6,543		-
Total expenses		2,315,998	599,168	5,943,794		857,087
Loss before other income		(2,315,998)	(599,168)	(5,943,794)		(857,087)
Write-off of note Payable		-	-	-		65,672
Other income		10,077	-	10,077		-
Net loss for the period		(2,305,921)	(599,168)	(5,933,717)		(791,415)
Other comprehensive income (loss)		(221)	632	397		(214)
Net loss and comprehensive loss for the period	$	(2,306,142)	(598,536)	(5,933,320)	$	(791,629)
Basic and diluted loss per share	$	(0.01)	(0.00)	(0.02)	$	(0.00)
Weighted average number of shares outstanding		388,097,515	245,819,496	370,876,430		213,963,312

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

EXTREME VEHICLE BATTERY TECHNOLOGIES CORP.
(formerly Global Elsimate Capital Corp.)
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Share capital					
	Number of shares	Amount $	Equity reserve $	Accumulated other comprehensive loss $	Deficit $	Total shareholders' equity (deficit) $
Balance, January 31, 2020	54,732,540	13,758,978	1,754,030	(4,011)	(16,817,765)	(1,308.768)
Shares issued pursuant to private placement	210,000,000	1,250,000	–	–	–	1,250,000
Write-off loan discount reserve	–	–	(22,564)	–	–	(22,564)
Net loss for the period	–	–	–	(214)	(791,415)	(791,629)
Balance July 31, 2020	364,732,540	15,008,978	1,731,466	(4,225)	(17,609,180)	(872,961)
Balance, January 31, 2021	314,102,540	15,452,978	1,792,550	(3,445)	(18,471,978)	(1,229,895)
Shares issued pursuant to private placement, net of share issuance cost (Note 8)	25,602,800	7,958,000	–	–	–	7,958,000
Shares issued for services	300,000	124,500	–	–	–	124,500
Shares issued for license acquisition (Note 6)	217,392	100,000	–	–	–	100,000
Share based payment (Note 10)	–	–	6,543	–	–	6,543
Share issued for options exercised	750,000	15,000	(7,500)	–	–	7,500
Share issued for warrants exercised	61,795,000	746,583	–	–	–	746,583
Net income (loss) for the period	–	–	–	397	(5,933,717)	(5,933,320)
Balance, July 31, 2021	402,767,732	24,397,061	1,791,593	(3,048)	(24,405,695)	1,779,911

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

EXTREME VEHICLE BATTERY TECHNOLOGIES CORP.

(formerly Global Elsimate Capital Corp.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Six months ended July31, 2021 $	Six months ended July 31, 2020 $
Operating activities		
Net loss from continuing operations	(5,933,717)	(791,415)
Items not involving cash:		
Amortization (Note 6)	50,000	-
Non-cash interest expense (Note 7)	2,872	-
Share-based compensation (Note 10)	6,543	-
Write- off note payable	-	(43,108)
Write- off loan discount reserve	-	(22,564)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(418,564)	(219,055)
Payment for license acquisition in shares (Note 6)	100,000	-
Share issued for consulting services (Note 5)	124,500	-
Accounts receivable	(203,952)	(34,538)
Deposits and prepaid expense	(119,975)	-
Due to related parties	(557,967)	(35,857)
Net cash used in operating activities	(6,950,260)	(1,146,537)
Investing activity		
Net cash used in investing activities	-	-
Financing activity		
Proceeds from issuance of shares	7,958,000	1,250,000
Proceeds from issuance of exercise options	7,500	-
Proceeds from exercise of warrants	746,583	
Net cash provided by financing activity	8,712,083	1,250,000
Effect of foreign currency translation	397	(214)
Increase (decrease) in cash	1,762,220	103,249
Cash, beginning	438,276	152,698
Cash, ending	2,200,496	255,947
Non-cash investing and financing activities:		
Fair value of shares issued for services	124,500	-
Fair value of shares issued for finder’s fee	120,560	-
Fair value of shares issued for license fee	100,000	-

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

1. Nature of Operations and Going Concern

Extreme Vehicle Battery Technologies Corp. (formerly Global Elsimate Capital Corp.) (the "Company") was incorporated under the laws of British Columbia on January 16, 2015. The Company's principal business focuses on developing and implementing blockchain, distributed ledger, closed loop and cryptocurrency services for government and commercial partners. The Company also has licensed a battery technology to further expand its blockchain technology into the battery products and services market. The name of the Company changed from Cryptobloc Technologies Corp. to Global Elsimate Capital Corp. on January 31, 2020. On September 23, 2020 the name of the Company changed to Extreme Vehicle Battery Technologies Corp. The Company's shares are listed on the Canadian Securities Exchange (the "Exchange") under the symbol "ACDC". (formerly "GECC") The Company's registered office is 3020 – 700 West Georgia St, Vancouver, BC V7Y 1K8.

The Company has consolidated its issued and outstanding common shares on the basis of one post-consolidation share for each 10 pre-consolidation common shares on January 11, 2019. No fractional shares were issued. All fractional shares that resulted from the consolidation were rounded up or down to the nearest whole number. All share figures and references have been retroactively adjusted to reflect the share consolidation.

The Company then split its issued and outstanding common shares on the basis of one pre-split share for 6 post-split shares on October 6, 2020. All share figures and references have been retroactively adjusted to reflect the share split.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Furthermore, the Company does not have sufficient cash to sustain operations for the next twelve months without additional financing. The continued operations of the Company are dependent on its ability to generate future cash flows and/or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due; however, they may not be at terms that are favorable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Impact of COVID-19

The uncertainties around the outbreak of the COVID-19 pandemic required the use of significant judgment and estimates. As at July 31, 2021, the Corporation has not noted any significant impairment as a result of COVID-19. The uncertain future impact of COVID-19 could generate, in future reporting periods, a significant risk of material adjustments to the carrying amount of: accounts receivable, intangible assets, and government authorities' loans, payables and other loans. As an emerging risk, the duration and full financial effect of the COVID-19 pandemic is unknown at this time, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Corporation's consolidated financial condition, operations and consolidated financial results are subject to significant uncertainty.

2. Significant Accounting Policies

a) Statement of Compliance and Principles of Consolidation

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the IFRS Interpretations Committee as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, GRT Technologies Inc., 1Linx Ltd., and IoniX Pro Battery Technologies Inc. All intercompany transactions have been eliminated on consolidation. On January 14, 2021, The Company incorporated IoniX Pro Battery Technologies Inc. as its wholly owned subsidiary to perform activities related to battery manufacturing and technology.

2. Significant Accounting Policies (continued)

b) Basis of Presentation and Functional Currency

The interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars. The functional currency of the parent company, GRT and IoniX is the Canadian dollar. The functional currency of 1Linx Ltd. is the United States dollar.

c) Use of Estimates, Assumptions and Judgements

The preparation of the interim consolidated financial statements in conformity with IFRS requires the Company's management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the useful life and amortization of equipment and intangible assets, measurement of share-based payments, and deferred income tax asset valuation allowances.

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates and business acquisitions, in applying accounting policies. Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors supporting the capitalization and recoverability of property and equipment and intangible assets, and inputs into the calculation of the fair value of notes payable and share-based payments.

d) Recent Accounting Pronouncements

The accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

e) Change in Accounting Policies - Financial Instruments

The Company classifies and measure its financial instruments at fair value through profit or loss with changes in fair value recognized in profit or loss as they arise ("FVTPL"), unless restrictive criteria regarding the objective and contractual cash flows of the instrument are met for classifying and measuring at either amortized cost or fair value through other comprehensive income. Cash, short-term investments, and accounts receivable continue to be recorded at FVTPL. Accounts payable, amounts due to related parties, and notes payable are classified and measured as financial liabilities, initially at FVTPL, and subsequently at amortized cost using the effective interest rate method.

f) Revenue Recognition

Revenues are recognized when control of the goods or services has been transferred to the customer, being when the goods or services are delivered to the customer, the customer takes control of the goods or services, the customer has full discretion over the use of the goods or services, sales are final and there are no unfulfilled performance obligations that could affect the customer's acceptance of the goods or services.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as

2. Significant Accounting Policies (continued)

a principal in all of its revenue arrangements. Revenue is measured net of returns, trade discounts and volume rebate.

g) Equipment

Equipment is recorded at cost. Amortization is computed at the following rates:

Furniture and equipment 20% declining balance

h) Intangible Assets

Intangible assets are recorded at cost. The cost include is the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use. Internally generated patent, research, and development assets are not capitalized, as they did not meet the criterion under *IAS 38 Intangible Assets* and accordingly the expenditure is reflected in the statement of total comprehensive loss in the period in which the expenditure is incurred. This represents a significant accounting judgment.

Intangible assets with a finite useful life are amortized on a systematic basis over the useful life of the intangibles on a straight-line basis.

Technology License 10 years.

Intangible assets with a finite useful life are amortized on a systematic basis over the useful life of the intangibles on a straight-line basis.

All intangible assets are assessed annually for impairment loss.

i) Business Combinations and Goodwill

An acquisition of a business, (an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors), is a business combination. Determining whether the acquisition meets the definition of a business combination requires judgement to be applied on a case by case basis. Acquisitions are assessed under the relevant criteria to establish whether the transaction represents a business combination or an asset purchase. Depending on the specific facts, acquisitions of exploration and evaluation licenses for which a development decision has not yet been made, have largely been concluded to represent asset purchases.

Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method of accounting. The acquired identifiable tangible and intangible assets, liabilities and contingent liabilities are measured at their fair values at the date of the acquisition. Acquisition costs incurred are expensed in the consolidated statement of comprehensive loss. Goodwill (if any) is initially measured at the excess of the aggregate of the consideration transferred and the amount recognized for any non-controlling interest over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

The non-controlling interest is measured at fair value or at the proportion of the acquired entity's identifiable net assets as elected for each business combination. Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

2. Significant Accounting Policies (continued)

j) Foreign Currency Translation

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Foreign exchange gains and losses are included in the statement of operations. At the end of each reporting period, assets and liabilities of the Company's subsidiaries which have different functional currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive loss for the period.

k) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

l) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share is the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

2. Significant Accounting Policies (continued)

m) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

n) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

o) Share-based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

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

3. Acquisition of 1Linx Ltd.

On December 12, 2017, the Company entered into a Share Purchase Agreement (the "Agreement") to acquire 1Linx Ltd. ("1Linx"), a private company incorporated in Ontario, Canada (the "Transaction"). 1Linx has a proprietary blockchain authentication platform and provides services for application programming interface (API) in regards to operator look-up, customer look-up, IP information and customer friendly user experience. Under the terms of the Agreement, the Company acquired all of the issued and outstanding common shares of 1Linx, such that 1Linx became a wholly-owned subsidiary of the Company, in exchange for the issuance by the Company of 3,600,000 common shares with a fair value of $3,660,000. In connection with the transaction, the Company issued 180,000 common shares with a fair value of $183,000 as a finder's fee, which has been expensed in the consolidated statement of comprehensive loss. The transaction closed on January 5, 2018.

In accordance with IFRS 3, *Business Combinations*, the purchase agreement was deemed a business combination for accounting purposes. Assets acquired and liabilities assumed are reported at their fair values as at the closing date.

During the year ended January 31, 2019, Management determined the carrying value of Goodwill with respect to this acquisition was impaired and has written this amount to $ nil.

The assets acquired and liabilities assumed are as follows:

(Expressed in Canadian dollars)

3. Acquisition of 1Linx Ltd. (continued)

	$
Cash	28,728
Accounts receivable	168,651
Goodwill	3,688,957
Accounts payable and accrued expenses	(68,922)
Due to related parties of 1Linx Ltd.	(153,082)
Income tax liability	(4,332)
Total purchase price	3,660,000

4. **Short-term Investment**

	July 31, 2021 and 2020	
	Cost $	Fair Value $
Available-for-sale securities:		
Voltaire Services Corp. - 1,000 common shares	1	1
	1	1

5. Related Party Transactions

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the six months ended July 31, 2021, and 2020:

	July 31, 2021 $	July 31, 2020 $
Salaries accrued to CEO (b)	-	150,000
Directors' fees accrued payable in share (c)	40,000	-
Committees' fees accrued payable in share (d)	15,000	-
Share based payment to CEO and Directors (e-f)	6,489	-
	61,489	150,000

a) On January 22, 2020, the Company accepted the resignation of Robert Abenante as Chief Executive Officer, Interim Chief Financial Officer and Director. The Company appointed Bryson Goodwin as Chief Executive Officer, Interim Chief Financial Officer and Director the same day.

On September 29, 2020, the Company appointed Victor Hui-Fai Ho to the board of the directors.

On January 20, 2021, the Company appointed Taryn Stemp as its Corporate Secretary.

(Expressed in Canadian dollars)

5. Related Party Transactions (continued)

On February 8, 2021, the board of directors approved directors' fees of $20,000 per annum, to be paid quarterly in the form of common shares of the Company. In addition to the directors' fees, directors and / or officers will be entitled an additional $5,000 per annum for serving on committees.

On March 5, 2021, the Company appointed Maryam Amin Shanjani as its CFO. As part of a signing bonus, the Company issued 300,000 common shares of the Company on March 31, 2021.

On April 12, 2021, the Company announced that its subsidiary, IoniX Pro Battery Technologies Inc. had appointed Robert Abenante as its Managing Director.

As at July 31, 2021, the directors of the Company are Bryson Goodwin, Cedric Wilson, Tjalling DeJong, Victor Hiu-Fai Ho.

b) During the six months ended July 31, 2021, the Company accrued salaries and wages of $nil (2020 - $150,000) to CEO and Director of the Company.

c) During the six months ended July 31, 2021, the Company accrued director's fees of $40,000 for directors which will be payable in common shares of the Company.

d) During the six months ended July 31, 2021, the Company accrued $15,000 for fees for members of advisory and audit committees will be payable in common shares of the Company.

e) On August 13, 2020, the Company granted 3,900,000 stock options to related parties includes 2,700,000 to CEO and 1,200,000 to two directors (each 600,000), exercisable at $0.01 for a period of three years. The option vested 25% upon grant day, 25% after 2 months, 25% after 4 months and 25% after 6 months. Fair value of options vested in the six months ended July 31, 2021 amounting to $583 (January 31, 2021-$42,481) was recognized in the statement of loss and comprehensive loss.

f) On December 30, 2020, the Company granted 300,000 stock options to a director, exercisable at $0.05 for a period of three years. The option vested 25% in three months, 25% in six months, 25% in nine months and 25% in twelve months. Fair value of options vested in the six months ended July 31, 2021 amounting to $5,907 (January 31, 2021 - $1,656) was recognized in the statement of loss and comprehensive loss.

6. Intangible Asset- Technology License

On August 31, 2020, the Company signed a definitive agreement with IBS - Intelligent Battery Services Ltd. and Jiangsu RichPower New Energy Co. Ltd. to acquire the exclusive North and South American rights, as well as the European and African rights to a broad set of applied technologies and solutions for battery management systems, energy storage technology applications and battery safety applications (the "Technology License").

The following table presents cost, amortization and book value of the Technology License for the six months ended July 31, 2021 and year ended January 31, 2021. Amortization is calculated based on 10 years useful life.

	$
Cost:	
Balance, January 31, 2021	1,000,000
Additions	-
Balance July 31, 2021	1,000,000

(Expressed in Canadian dollars)

Amortization:	
Balance, January 31, 2021	39,722
Additions	50,000
Balance, July 31 2021	89,722
Net Book Value:	
Balance, January 31, 2021	960,278
Balance, July 31, 2021	910,278

The Company agreed to pay $1,000,000 in shares for the license in the following installments:

a) $100,000 in common shares within 5 business days of agreement of the first Marketing & Development plan

b) $100,000 in common shares on the date that is 4 months after the agreement of the first Marketing & Development plan.

c) $200,000 in common shares on the date that is 8 months after the agreement of the first Marketing & Development plan.

d) $200,000 in common shares on the date that is 12 months after the agreement of the first Marketing & Development plan.

e) $200,000 in common shares on the date that is 16 months after the agreement of the first Marketing & Development.

f) $200,000 in common shares on the date that is 20 months after the agreement of the first Marketing & Development.

On October 30, 2020, the Company paid $100,000 by issuing 8,000,000 common shares at $0.0125 per share and on March 5, 2021 the company paid $100,000 by issuing 217,392 shares at $0.46 to IBS - Intelligent Battery Services Ltd. for part of the license acquisition fees. As at July 31, 2021, the outstanding amount of license fee is $800,000 payable in common shares.

7. Notes Payable

a) On March 18, 2016, the Company entered into two promissory notes for a total principal amount of $89,985. The notes are non-interest bearing, unsecured and due on demand after March 18, 2017. At March 18, 2016, the promissory notes had a fair value of $77,248, resulting in the recognition of a discount of $11,737 upon issuance, which will be amortized over the term of the loan. During the year ended January 31, 2018, the Company recognized accretion of the discount of $1,479, which has been recorded as interest expense. On November 2, 2017, the Company settled $59,985 of the promissory notes for shares. At July 31, 2021, the carrying value of the promissory notes was $30,000 (January 31, 2021 - $30,000).

b) On August 21, 2017, the Company entered into a promissory note for a principal amount of $5,985. The note bears an interest rate of 8% and is unsecured and due on or before August 21, 2018. At August 21, 2017, the promissory note had a fair value of $5,593, resulting in the recognition of a discount of $392 upon issuance, which will be amortized over the term of the loan. During the year ended January 31, 2019, the Company recognized accretion of the discount of $217, which has been recorded as interest expense and accrued $693

(Expressed in Canadian dollars)

7. Notes Payable (continued)

in interest. During the year ended January 31, 2021, the Company accrued $573 (January 31, 2020 - $478) in interest. At January 31, 2021, the carrying value of the promissory note was $7,729 (January 31, 2021 - $7,156). During six months ended July 31, 2021, the company accrued $308 interest expense. At July 31, 2021, the carrying value of promissory note was $8,037(July 31, 2021 - $7,729).

c) On August 29, 2017, the Company entered into a promissory note for a principal amount of $4,985. The note bears an interest rate of 8% and is unsecured and due on or before August 29, 2018. At August 29, 2017, the promissory note had a fair value of $4,659, resulting in the recognition of a discount of $326 upon issuance, which will be amortized over the term of the loan. During the year ended January 31, 2019, the Company recognized accretion of the discount of $187, which has been recorded as interest expense and accrued $568 in interest. During the year ended January 31, 2021, the Company accrued $476 (January 31, 2020 - $399). in interest. As at January 31, 2021, the carrying value of the promissory note was $6,428 (January 31, 2020 - $5,952). During six months ended July 31, 2021, the company accrued $258 interest expense. At July 31, 2021, the carrying value of promissory note was $6,686 (January 31, 2021 - $6,428).

	A $	B $	C $	Total $
Balance, January 31, 2021	30,000	7,729	6,428	44,157
Accrued interest	–	308	258	566
Balance, July 31, 2021	30,000	8,037	6,686	44,723

d) On October 29, 2020, the Company received $40,000 for the Canadian Emergency Business Account (CEBA) loan. The Company received subsequent CEBA loan of $20,000 on December 18, 2020. The loan amount of $60,000 is interest-free and CAD$20,000 is forgivable if $40,000 is repaid by December 31, 2022, after which the full amount is subject to a 5% annual interest rate and due on December 31, 2025. Initial recognition of the CAD$60,000 was at its fair value at a discount rate of 11%, representing the Company's estimated unsecured credit risk. The Company recognized $41,408 as debt and CAD $18,592 was recognized as other income - government grant for the period ended December 31, 2020. The Company calculated $1,153 interest accretion for the six months ended July 31, 2021 and added to carrying value of the CEBA loan. At July 31, 2021, the carrying value of the CEBA loan was $44,226 (January 31, 2021 - $41, 920).

CEBA Loan

	$
CEBA loan received	60,000
Less: CEBA loan (amount recognized as other income - grant)	(18,592)
Plus: Accretion of interest on CEBA loan	512
Balance, January 31, 2021	41,920
Plus: Accretion of interest on CEBA loan	2,306
Balance, July 31, 2021	44,226

8. Share Capital

Authorized: Unlimited common shares without par value

Share consolidation:

The Company has consolidated its issued and outstanding common shares on the basis of one post-consolidation share for each 10 pre-consolidation common shares on January 11, 2019. No fractional shares will be issued. All fractional shares resulting from the consolidation will be rounded up or down to the nearest whole number. All share figures and references have been retroactively adjusted to reflect the share consolidation. Outstanding stock options have also been adjusted by the consolidation ration and their respect exercise prices adjusted accordingly.

Share issuances:

a) On February 14, 2020, the completed closed a non-brokerage private placement for gross proceeds of $750,000 consisting of 150,000,000 units at a price of $0.005 per unit. Each unit consists of one common share and one common share purchase warrant for a period of three years at a price of $0.008.

b) On May 29, 2020, the Company completed a non-brokered private placement for gross proceeds of $500,000 consisting of 60,000,000 units at a price of $0.005 per unit. Each unit consists of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.017 for a period of three years.

c) On August 14, 2020, the Company completed a non-brokered private placement of 22,200,000 units at $0.005 per unit for total gross proceeds of $185,000. Each unit consists of one common share and one- half of one common share purchase warrant with each whole warrant entitling the holder to purchase one common share at a price of $0.017 for a period of three years. The Company paid a finder's fee of 720,000 shares for a total value of $6,000, for certain subscribers of the private placement. In addition to the private placement, the Company settled $150,000 in debt owing to Bryson Goodwin (CEO), by issuing Mr. Goodwin 18,000,000 units at a price of $0.008 per unit. Each unit consists of one common share and one-half of one common shares purchase warrant with each whole warrant entitling the holder to purchase one common share at a price of $0.017 for a period of three years.

d) On October 30, 2020, the Company issued 8,000,000 common shares at $0.0125 per share to IBS. - Intelligent Battery Services Ltd. for part of the license acquisition fees.

e) On January 15, 2021, 450,000 stock options were exercised at an exercise price of $0.01 per stock option for total proceeds of $4,500 and fair value of $4,500 which is allocated from reserve to share capital.

f) On February 1, 2021, the Company issued 4,095.000 shares for warrants were exercised at a price of $ 0.01667 for total proceeds of $68,250.

g) On February 11, 2021, the Company completed a non-brokered private placement of 15,000,000 units at $0.20 per unit for total gross proceeds of $3,000,000. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to purchase one common share at a price of $0.50 for a period of three years. The Company paid a finder's fee of 602,800 units for a total value of $120,560, for certain subscribers of the private placement.

h) On February 17, 2021, 750,000 stock options were exercised at an exercise price of $0.01 per stock option for total proceeds of $7,500 and fair value of $7,500 which is allocated from reserve to share capital.

i) On February 17, 2021, the Company issued 7,200,000 shares for warrants that were exercised at an exercise price of $0.01667 for total proceeds of $120,000.

j) On February 22, 2021, the Company issued 15,000.000 shares for the warrants that were exercised at an exercise price of $0.01667 for total proceeds of $250,000.

(Expressed in Canadian dollars)

8. Share Capital (continued)

k) On March 15, 2021, the Company issued 217,392 common shares at $0.46 per share to IBS - Intelligent Battery Services Ltd. as second tranche of fees related to the license acquisition.

l) On March 31, 2021, the Company issued 300,000 common shares at $0.41 per share with the fair value of $124,250 to the new CFO as part of a signing bonus.

m) On April 1, 2021, the Company completed the first tranche of a non-brokered private placement of 6,296,000 units at $0.50 per unit for total gross proceeds of $3,148,000. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to purchase one common share at a price of $1 for a period of three years. The Company paid a finder's fee of $42,000 cash and 84,000 warrants at an exercise price of $0.50 for a period of three years, a total value of $84,000, for certain subscribers of the private placement.

n) On April 19, 2021, the Company issued 10,000,000 shares for the warrants that were exercised at an exercise price of $ 0.0083 for total proceeds of $83,333.

o) On June 9, 2021, the Company completed the second and final tranche of its non-brokered private placement of 10,000,000 units at $0.50 per unit for total gross proceeds of $5,000,000. The second tranche compiled of 3,704,000 units for total proceeds of $1,852,000. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to purchase one common share at a price of $1 for a period of three years.

p) On June 10, 2021, the Company issued 20,000,000 shares for the warrants that were exercised at an exercise price of $0.0083 for total proceeds of $166,667.

q) On June 10, 2021, the Company issued 1,500,000 shares for the warrants that were exercised at an exercise price of $0.0167 for total proceeds of $25,000.

r) On July 20, 2021, the Company issued 4,000,000 shares for the warrants that were exercised at an exercise price of $0.0083 for total proceeds of $33,333.

The following tables present share issuance continuity for the year ended January 31, 2021 and the six months ended July 31, 2021.

	Number of shares	Value $
Balance, January 31, 2019 and January 31, 2020	54,732,540	13,758,978
Shares issued pursuant to private placement	150,000,000	750,000
Shares issued pursuant to private placement	60,000,000	500,000
Shares issued pursuant to private placement	22,200,000	185,000
Shares issued for finder's fee	720,000	6,000
Shares issued for debt settlement	18,000,000	150,000
Shares issued for License acquisition	8,000,000	100,000
Shares issued for stock options exercised	450,000	9,000
Balance, January 31, 2021	314,102,540	15,452,978

(Expressed in Canadian dollars)

8. Share Capital (continued)

	Number of shares	Value $
Balance, January 31,2021	314,102,540	15,452,978
Shares issued pursuant to private placement	15,000,000	3,000,000
Shares issued pursuant to private placement	6,296,000	3,148,000
Shares issued pursuant to private placement	3,704,000	1,852,000
Shares issued for warrant exercised	61,795,000	746,583
Shares issued for finder's fee	602,800	120,560
Shares issued for CFO signing fees	300,000	124,500
Shares issued for License acquisition	217,392	100,000
Shares issued for stock options exercised	750,000	15,000
Balance, July 31, 2021	402,767,732	24,559,621

9. Purchase Warrants

The following table summarizes information about the warrants at January 31, 2021 and July 31, 2021 and the changes for the period then ended:

	July 31, 2021		January 31, 2021	
	Number of Warrants	**Weighted average exercise price $**	**Number of Warrants**	**Weighted average exercise price $**
Warrants outstanding – beginning of year	200,100,000	0.010	18,000,000	0.417
Expired	-	-	(18,000,000)	0.417
Issued	15,602,800	0.50	150,000,000	0.008
Issued	6,380,000	1.00	30,000,000	0.017
Issued	10,000,000	0.20	-	-
Issued	3,704,000	1.00	20,100,000	0.017
Exercised	(34,000,000)	0.008	-	-
Exercised	(27,795,000)	0.017	-	-
Warrants outstanding – end of period	173,991,800	0.122	200,100,000	0.010

The following table summarizes information about granted, exercised purchase warrants and outstanding warrants at July 31, 2021.

The following table summarizes information about granted, exercised purchase warrants and outstanding warrants at July 31, 2021.

(Expressed in Canadian dollars)

9. Purchase Warrants (continued)

Date issued	Expiry date	Number of warrants issued	Exercise price	Number of warrants Exercised	Exercised Amount	Number of warrants Outstanding
Feb 14, 2020	Feb 14, 2023	150,000,000	0.083	34,000,000	283,333	116,000,000
May 29, 2020	May 29, 2023	30,000,000	0.017	12,195,000	203,250	17,805,000
Aug 14, 2020	Aug 14, 2023	20,100,000	0.017	15,600,000	260,000	4,500,000
Feb 11, 2021	Feb 11, 2024	15,602,800	0.50	-	-	15,602,800
Apr 1, 2021	Apr 1, 2024	6,380,000	1.00	-	-	6,380,000
May 25, 2021	May 25, 2024	10,000,000	0.20	-	-	10,000,000
Jun 9, 2021	Jun 9, 2024	3,704,000	1.00	-	-	3,704,000
Balance at July 31, 2021		235,786,800	0.141	61,795,000	$ 746,583	173,991,800

On June 6, 2018, the Company issued 18,000,000 share purchase warrants with each warrant entitling the holder to purchase one common share at a price of $0.417 for a period of two years. Using the residual method, a $Nil value was allocated to the warrants. The warrants were expired at June 6, 2020.

On February 14, 2020, the Company issued 150,000,000 share purchase warrants with each warrant entitling the holder to purchase one common share at a price of $0.008 for a period of three years, expiring on February 14, 2023. Using the residual method, a $Nil value was allocated to the warrants.

On May 29, 2020. the Company issued 60,000,000 half-share purchase warrants. Each whole warrant entitles the holder to purchase one common share at a price of $0.017 for a period of three years, expiring on May 29, 2023. Using the residual method, a $Nil value was allocated to the warrants.

On August 14, 2020. the Company issued 40,200,000 half-share purchase warrants. Each whole warrant entitles the holder to purchase one common share at a price of $0.017 for a period of three years, expiring on August 14, 2023. Using the residual method, a $Nil value was allocated to the warrants.

On February 5, 2021, the Company agreed to issue 10,000,000 common share purchase warrants with an exercise price of $0.20 per common share to Daymak International Inc.

On February 11, 2021, the Company issued 15,602,000 share purchase warrants with each warrant entitling the holder to purchase one common share at a price of $0.5 for a period of three years, expiring on February 11, 2024. Using the residual method, a $Nil value was allocated to the warrants.

On April 1, 2021, the Company issued 6,380,000 share purchase warrants with each warrant entitling the holder to purchase one common share at a price of $1 for a period of three years, expiring on April 1, 2024. Using the residual method, a $Nil value was allocated to the warrants.

On May 25, 2021, the Company issued 10,000,000 common Share purchase warrants with an exercise price of $0.20 for the period of 3 years to Daymak International Inc. exercisable subject to a vesting schedule as follows:

9. Purchase Warrants (continued)

(a) 2,500,000 shall vest on September 25, 2021,
(b) 2,500,000 shall vest on January 25, 2022
(c) 2,000,000 shall vest on May 25, 2022
(d) 3,000,000 shall vest on the earlier date of (i) September 25, 2022, or (ii) which the holder becomes a publicly traded company.

On June 9, 2021, the Company issued 3,704,000 share purchase warrants with each warrant entitling the holder to purchase one common share at a price of $1 for a period of three years, expiring on July 9, 2024. Using the residual method, a $Nil value was allocated to the warrants.

During six months ended July 31, 2021, 34,000,000 warrants were exercised at an exercise price of $0.008 for total proceeds of $283,333.

During the six months ended July 31, 2021, 27,795,000 warrants were exercised at an exercise price of $0.017 For the total proceeds of $463,250.

10. Stock Options

The Company has a stock option plan that provides for the issuance of options to its directors, officers and employees. The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares of the Company at any point in time. The term of the options must be no longer than 10 years and the directors determine the vesting period.

On August 13, 2020, the Company granted 4,200,000 stock options to the Company's officers and directors, and one consultant, at an exercise price of $0.01. The options are subject to a vesting period of 25% immediately, 25% in two months, 25% in four months, and the final 25% in six months. The options are set to expire on August 14, 2023. The fair value of the granted options was calculated as $42,000 using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 0.32%, an expected life of options of three years, an expected volatility of 276%, and no expected dividends. The vested value for the period ended January 31, 2021 amounting to $41,364 was recognized in the statement of loss and comprehensive loss.

On December 30, 2020, the Company granted 300,000 stock options to a director, at an exercise price of $0.05. The options are subject to a vesting period of 25% in three months, 25% in six months, 25% in nine months, and 25% in twelve months. The options are set to expire on December 31, 2023. The fair value of the granted options was calculated as $9,000 using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 0.3%, an expected life of options of three years, an expected volatility of 276%, and no expected dividends. The vested value for the period ended January 31, 2021 amounting to $ 1,656 was recognized in the statement of loss and comprehensive loss.

On January 15, 2021, 450,000 stock options were exercised at an exercise price of $0.01 per stock option for total proceeds of $4,500 and fair value of $4,500 which is allocated from reserve to share capital.

On February 17, 2021, 750,000 stock options were exercised at an exercise price of $0.01 per stock option for total proceeds of $7,500 and fair value of $7,500 which is allocated from reserve to share capital.

The following table summarizes information about the options at July 31, 2021 and January 31, 2021, and the changes for the period ended:

(Expressed in Canadian dollars)

10. Stock Options (continued)

	July 31, 2021		January 31, 2021	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Options outstanding – beginning of year	4,050,000	0.013	-	-
Granted	-	-	4,200,000	0.01
Granted	-	-	300,000	0.05
Exercised	(750,000)	0.01	(450,000)	0.01
Options outstanding – end of period	3,300,000	0.014	4,050,000	0.013
Options exercisable – end of period	3,075,000	0.011	2,700,000	0.01

The following table summarizes information about expiry date, granted number, outstanding, exercisable and exercise price of stock options.

Expiry date	Number of options granted	Number of options outstanding	Number of options exercisable	Exercise price $
August 14, 2023	4,200,000	3,000,000	3,000,000	0.01
December 31, 2023	300,000	300,000	150,000	0.05
July 31, 2021	4,500,000	3,300,000	3,150,000	0.012

11. Commitments and Contingencies

a) As a result of a Temporary Order issued on November 26, 2018 issued by the B.C. Securities Commission against certain consultants, the Company is reviewing a private placement that closed in June 2018. The Order cites improper use of the "consultant's exemption" contained in section 2.24 of National Instrument 45-106 and the payment of consulting fees to the persons named in the Order. The June 2018 private placement involved multiple consultants named in the Order. Following completion of the private placement, the Company paid consulting fees to these consultants. There is a risk that the Commission in its review, may view the private placement to the consultants and the use of proceeds, as an improper use of s.2.24 and an illegal distribution of shares. If such is adjudicated to be the case, the Company may be required to take remedial action. Such action, if required, cannot at this time be determined.

b) On July 11, 2019, two individuals filed a Notice of Civil Claim in the Supreme Court of British Columbia seeking certification for a class action against the Company and numerous other parties. Management is not able to quantify the impact of this action. At this time, there are respondents who have still not yet been served and the Claim has not yet been certified. It is unable to determine whether or not the claim will proceed and what the timeline will be. Therefore, Management is not able to quantify the impact of this action.

12. Financial Instruments

a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at July 31, 2021, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, July 31, 2021 $
Cash	2,200,496	–	–	2,200,496

The fair values of other financial instruments, which include accounts receivable, short-term investment, accounts payable, notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. The Company limits exposure to credit loss by placing its cash with high credit quality financial institutions. The Company performs ongoing credit evaluations, does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of financial assets represents the maximum credit exposure.

c) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure to currency risk from assets and liabilities denominated in US dollars. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management believes that the risk from fluctuations in foreign exchange rates is not significant.

d) 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 currently settles its financial obligations with cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Liquidity risk is assessed as high.

(Expressed in Canadian dollars)

12. Financial Instruments (continued)

e) Classification of Financial Instruments

Financial assets and liabilities included in the consolidated statement of financial position are as follows:

	July 31, 2021	January 31, 2021
	$	$
Financial assets classified as fair value through profit or loss:		
Cash	2,200,496	438,276
Deposits and prepaid expenses	171,600	51,625
Accounts receivable	267,952	64,000
Non-derivative financial liabilities:		
Trade payables	818,177	1,136,741
Due to related parties	58,958	616,925
Notes payable	44,723	44,157
Income tax payable	4,332	4,332
Current liability on license acquisition fee	800,000	500,000
Long term liability on license acquisition fee	-	400,000
Loan Payable	44,226	41,920
	1,770,416	2,744,075

13. Concentrations

The Company did not generate revenue during the six months ended July 31, 2021 and year ended January 31, 2021. The Company's receivables during the six months ended July 31, 2021 and year ended January 31, 2021 was related to collectable GST/HST and no customer was involved in this period.

14. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2021	2020
	$	$
Statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(446,637)	(202,696)
Permanent differences and other	148,441	60,548
Temporary differences	(24,657)	(8,687)
Change in tax rates	-	-
Change in valuation allowance	322,853	150,834
Deferred income taxes	-	-

(Expressed in Canadian dollars)

14. Income Taxes (continued)

The significant components of deferred income tax assets and liabilities areas follows:

	2021 $	2020 $
Non-capital losses	2,529,722	2,216,608
Property and equipment	37,323	37,013
Intangible assets	260,475	249,750
Share issuance costs	(52,531)	(51,235)
Valuation allowance	(2,774,989)	(2,452,136)
Deferred income taxes recovered	-	–

As of January 31, 2021, the Company has non-capital tax losses of approximately of $9,369,341 (2020 - $8,209,659) that may be offset against future Canadian and United States taxable income. This loss expires commencing 2041.

15. Subsequent Events

On August 17, 2021, the Company paid $200,000 by issuing 714,286 shares at $0.28 per share to IBS - Intelligent Battery Services Ltd. for part of the license acquisition fees. As at September 7, 2021, the outstanding amount of license fee is $600,000 payable in shares.