
ASTRON CONNECT INC.

Consolidated Financial Statements
For the Years Ended
September 30, 2022 and 2021
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ASTRON CONNECT INC.

Opinion

We have audited the consolidated financial statements of Astron Connect Inc. and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at September 30, 2022 and 2021;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$937,281 during the year ended September 30, 2022. As stated in Note 2, this event or condition, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditors' report is Hervé Leong-Chung.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
January 27, 2023

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ASTRON CONNECT INC.
Consolidated Statements of Financial Position
As at September 30
(Expressed in Canadian Dollars)

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	15	504,608	952,475
Trade and other receivables	4	17,465	10,806
Inventory	5	66,103	66,103
Prepaid expenses and deposit	5	71,502	104,452
		659,678	1,133,836
Investment	6	1	-
Property and equipment	7	-	6,917
Intangible assets	8	10,126	10,126
Right-of-use assets	9	-	44,172
Total Assets		669,805	1,195,051
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	10	143,251	156,939
Lease liabilities	9	-	48,696
Deferred revenue		36,692	212,273
		179,943	417,908
Government assistance	11	60,000	60,000
		239,943	477,908
Shareholders' Equity			
Share capital	12	8,185,477	7,535,477
Reserves		469,455	469,455
Deficit		(8,225,070)	(7,287,789)
		429,862	717,143
Total Liabilities and Shareholders' Equity		669,805	1,195,051

Approved on behalf of the Board of Directors:

"Shi Xin Huang"

CEO and Director

" S. Randall Smallbone"

Director

See accompanying notes to the consolidated financial statements

ASTRON CONNECT INC.
Consolidated Statements of Loss and Comprehensive Loss
Years Ended September 30
(Expressed in Canadian Dollars)

	Note	2022 \$	2021 \$
Sales	17	175,581	41,953
Cost of sales	5	128,605	71,477
Gross profit (loss)		46,976	(29,524)
Expenses			
Advertising and promotion expenses		7,516	5,758
Amortization	7,8,9	51,089	219,924
Bad debt	4	-	218,681
Consulting expenses		56,060	80,800
Director fees	14	60,000	60,000
Filing expenses		22,248	28,878
Meeting and conference expense		-	16,420
Office expenses		45,349	111,052
Professional fees		37,171	50,040
Rental expenses		19,996	(13,262)
Salaries and benefits	14	184,381	169,842
Selling and distribution expenses		35,514	7,849
Stock-based compensation	12,14	-	14,063
Foreign exchange (gain) loss		(3,347)	10,247
		515,977	980,292
Loss from operations		(469,001)	(1,009,816)
Impairment of intangible assets		-	(114,476)
Impairment of loan receivable		(485,786)	-
Other income (loss)		17,506	(9,893)
Net loss and comprehensive loss for the year		(937,281)	(1,134,185)
Loss per common share			
Basic and fully diluted		\$ (0.07)	\$ (0.11)
Weighted average number of common shares outstanding		13,111,874	10,437,901

See accompanying notes to the consolidated financial statements.

ASTRON CONNECT INC.
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended September 30
(Expressed in Canadian Dollars)

	Share Capital		Reserves	Deficit	Total
	Shares	Amount \$			
September 30, 2020	10,437,901	7,535,477	455,392	(6,153,604)	1,837,265
Stock-based compensation	-	-	14,063	-	14,063
Net loss for the year	-	-	-	(1,134,185)	(1,134,185)
September 30, 2021	10,437,901	7,535,477	469,455	(7,287,789)	717,143
Shares issued from private placement	5,000,000	500,000	-	-	500,000
Shares issued for loan assignment	1,500,000	150,000	-	-	150,000
Net loss for the year	-	-	-	(937,281)	(937,281)
September 30, 2022	16,937,901	8,185,477	469,455	(8,225,070)	429,862

See accompanying notes to the consolidated financial statements

ASTRON CONNECT INC.
Consolidated Statements of Cash Flows
For the Years Ended September 30
(Expressed in Canadian Dollars)

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(937,281)	(1,134,185)
Items not affecting cash:		
Amortization	51,089	219,924
Bad debt	-	218,681
Stock-based compensation	-	14,063
Impairment of intangible assets	-	114,476
Impairment of loan receivable	485,786	-
Accrued interest income from loan receivable	(5,786)	-
Changes in non-cash working capital:		
Trade and other receivables	(6,659)	100,168
Inventory	-	40,135
Prepaid expenses	32,950	(1,819)
Accounts payable and accrued liabilities	(13,688)	(48,333)
Deferred revenue	(175,581)	(5,000)
Cash (used in) operating activities	(569,170)	(481,890)
INVESTING ACTIVITIES		
Long term investment	(1)	-
Payment on acquisition of loan receivable	(330,000)	-
Cash used in investing activities	(330,001)	-
FINANCING ACTIVITIES		
Net proceeds from shares issued for cash	500,000	-
Government assistance	-	20,000
Repayment of lease obligations	(48,696)	(183,104)
Cash provided by (used in) financing activities	451,304	(163,104)
Decrease in cash	(447,867)	(644,994)
Cash and cash equivalents, beginning	952,475	1,597,469
Cash and cash equivalents, ending	504,608	952,475
Cash and cash equivalents consist of the followings:		
Cash	302,495	891,541
Cash equivalents	202,113	60,934
	504,608	952,475
SUPPLEMENTAL INFORMATION TO THE STATEMENT OF CASH FLOWS:		
Common shares acquisition of loan receivable	150,000	-

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS

Astron Connect Inc. (the "Company") was incorporated on February 20, 2017 under the Business Corporations Act (British Columbia). The Company is engaged primarily in the business of distribution and sale of beverage and food products in Canada, China and emerging markets. On August 24, 2018, the Company changed its name from Exalt Capital Corp. to Astron Connect Inc. and began trading under the symbol "AST" under the TSX Venture Exchange ("TSX.V").

Impact of COVID-19

The Company's operations have been significantly adversely affected by the effects of a widespread global outbreak of the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the ultimate impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, the health crisis could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

The principal and registered office of the Company is at 2300 - 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements of the Company and its subsidiaries are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved and authorized for issue by the board of directors on January 27, 2023.

b) Basis of presentation and going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. The Company is in an early stage of commercialization and will be required to attain profitability or generate additional financing as needed. During the year ended September 30, 2022, the Company incurred a net and comprehensive loss of \$937,281 (2021: \$1,134,185) and negative cash flows from operating activities of \$569,170 (2021: \$481,890). These conditions cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

Management's current strategy is to focus on expanding its market share of the beverage and food products industry in China and emerging markets, at the same time exercising careful cost control to sustain operations in the near term. Management recognizes the Company's need to increase its cash reserves in the coming year if it intends to adhere to its sales and marketing plans and has evaluated its potential sources of funds, including increased revenue from sale of its products and services and possible equity or debt financing. Although management intends to assess and act on these options through the course of the year, there can be no assurance that the steps management takes will be successful.

2. BASIS OF PRESENTATION (continued)

c) Basis of measurement

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

d) Functional and presentation currency

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

e) Use of estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and may change if new information becomes available. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3(p).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany balances and transactions have been eliminated in preparing these consolidated financial statements.

Entity	Country of incorporation	Ownership
Sachiel Holdings Ltd.	Canada	100%
Sachiel Water Inc.	Canada	100%
Manna Resources Inc.	Canada	100%

b) Foreign currency translation

Transactions denominated in foreign currencies are translated to the respective functional currencies of the Company and its subsidiaries at exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date. Revenues and expenses are translated at exchange rates prevailing on the date of transactions. All exchange gains and losses are included in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments

Classification

On initial recognition, the Company determines the financial instruments classification as per the following categories:

- Instruments measured at amortized cost; and
- Instruments measured at fair value through other comprehensive income ("FVOCI") or through net income ("FVTPL").

The financial instruments' classification under IFRS 9 *Financial Instruments* ("IFRS 9") is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial instrument in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company, on initial recognition, may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("FVOCI"). This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives) or if the Company elects to measure them at FVTPL.

Measurement

Financial instruments at amortized cost

Financial instruments at amortized cost are initially measured at fair value plus transaction costs directly attributable to the asset/liability, and subsequently at amortized cost, using the effective interest method, less any impairment loss. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statements of loss and comprehensive loss.

Financial instruments at fair value

Financial instruments are initially and subsequently measured at fair value and transaction costs are accounted for in the consolidated statements of loss and comprehensive loss. When the Company elects to measure a financial liability at FVTPL, gains or losses related to the Company's own credit risk are accounted for in the consolidated statements of loss and comprehensive loss.

Impairment

The Company prospectively estimates the expected credit losses associated with the debt instruments accounted for at amortized cost. The impairment methodology used depends on whether there is a significant increase in the credit risk or not. For trade receivables, the Company measures loss allowances at an amount equal to lifetime expected credit loss ("ECL") as allowed by IFRS 9 under the simplified method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes a financial asset when, and only when, the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred.

Financial liabilities

The Company derecognizes a financial liability when, and only when, it is extinguished, meaning when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the extinguished financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of loss and comprehensive loss.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

d) Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change of value.

e) Loan receivable

Loan receivable is initially recorded at cost less impairment losses. An allowance for doubtful accounts is recorded to reduce the carrying value of loan receivable when there is objective evidence that the Company will not be able to collect the amount due according to the original terms of the receivable.

f) Inventory

Inventory, comprising raw materials and finished goods, is stated at the lower of cost and net realizable value. The cost of inventories is determined on a weighted-average basis. Cost of finished goods comprise original purchase costs and costs of delivery to the Company's distribution centres, including freight, non-refundable taxes and other landing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and selling expenses. In establishing any impairment of inventory, management estimates the likelihood that inventory carrying values will be affected by changes in market demand, which would impair the value of inventory on hand. An allowance for obsolete, slow-moving or defective inventories is made where necessary.

g) Property and equipment

Property and equipment is stated at cost less accumulated amortization and any accumulated impairment losses. The cost of property and equipment includes the acquisition costs and any direct costs to bring the asset into productive use at its intended location.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property and equipment (continued)

Amortization of property and equipment is calculated using the straight-line method to write-off the cost, net of any estimated residual value, over their estimated useful lives as follows:

Leasehold improvements	Lease term
Office equipment	3 years
Furniture	3 years

h) Intangible assets

Intangible assets include trademarks, website, customer relationships and list and water use rights.

Water use rights represent lease and exclusive use of and access to fresh water bottling facilities. Water use rights are carried at cost less accumulated amortization.

Trademark and website represent the expenditures incurred. Trademarks are indefinite life intangible assets and are measured at cost less any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the Cash-Generating Unit ("CGU") level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Trademark and customer relationships and list acquired through business combinations are initially recorded at their fair value.

The Company amortizes its intangible assets using the straight-line method over their estimated useful lives, as follows:

	Method	Period
Water use rights	straight-line	10 years
Website	straight-line	3 years
Customer relationships and list	straight-line	5 years
Trademark	NA	indefinite

Intangible assets are tested for impairment on an annual basis or more frequently if there are indicators that intangible assets may be impaired.

i) Impairment

(i) Financial assets

Financial assets not carried at FVTPL or FVOCI are assessed for impairment at each reporting date by determining whether there is objective evidence that indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated by reference to the higher of the value in use and fair value less costs to sell. Fair value less costs to sell is defined as the estimated price that would be received on the sale of the asset in an orderly transaction between market participants at the measurement date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Impairment (continued)

(ii) Non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other groups of assets.

An impairment loss is recognized if the carrying amount of an asset or group of assets exceeds the estimated recoverable amount. Impairment losses are recognized in profit or loss.

When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimated recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

j) Revenue recognition

Revenue is recognized by applying the five-step model under IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). The Company recognizes revenue when, or as, the goods or services are transferred to the control of the customer and performance obligations are satisfied.

The Company generates its revenue from the sale of beverage and food products. The Company's revenue is recognized when control of the goods has been transferred, being when the goods are delivered to customers and when all performance obligations have been fulfilled. The amounts recognized as revenue represent the fair value of the consideration received or receivable from third parties on the sales of goods, net of goods and services taxes and less returns, and discounts, at which time there are no conditions for the payment to become due other than the passage of time. Deferred revenue represents customer deposits received in advance of delivery of products.

Performance obligations are satisfied at the point in time when products are delivered based on the volumes to customers at contractual delivery points, and prices have been agreed to with the purchaser and collectability is reasonable assured.

k) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income/loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Income taxes (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

l) Earnings (loss) per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method for calculating diluted loss per share. Under this method the dilutive effect on loss per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

m) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. The proceeds from the issuance of units are bifurcated between shares and warrants, with the value of the warrants determined using residual method by allocating the value to common shares when issued then the residual to be allocated to warrants.

n) Stock-based compensation

The Company follows the fair value method of accounting for share options. Compensation expense is recorded for share options over the vesting period with a corresponding increase to reserve. The fair value of the share options is measured at grant date, using Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. The expected term of options granted is determined based on historical data on the average hold period before exercise, expiry or cancellation. The risk-free rate of periods within the expected life of the share option is based on the Canadian government bond rate. The forfeiture rate assumption is based on historical results and the annualized volatility is based on the Company's historical share prices.

The amount recognized as expense is adjusted to reflect the number of share options expected to vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserve. Stock-based compensation to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured.

o) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Leases (continued)

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- i) Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- ii) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii) Amounts expected to be payable under a residual value guarantee;
- iv) Exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- v) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

p) Significant accounting estimates and judgments

Significant assumptions about the future and key sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

(i) Impairment of long-lived assets

Determining the amount of impairment of long-lived assets requires an estimation of the recoverable amount. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. These changes may result in future impairments in the Company's long-term assets, such as office equipment, furniture, customer relationship and lists, leasehold improvements, trademarks, website and water use rights.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Significant accounting estimates and judgments (continued)

Critical accounting estimates (continued)

(ii) Allowances for doubtful accounts and loan receivables

The Company makes estimates for allowances that represent estimate of potential losses in respect of accounts receivable and loan receivables. An allowance for doubtful accounts is estimated based on management's assessment of the credit history with the customer and current relationships with them. Allowance for loan receivables is based on management's assessments of the financial condition of the loan holder. Estimates used to determine the amount of allowance required involves uncertainties.

(iii) Reserve for inventory obsolescence

In determining the lower of cost or net realizable value of inventory, the provision for inventory obsolescence is estimated based on a consideration of quantities on hand, actual and projected sales volume, anticipated product selling prices and product lines planned to be discontinued. Unforeseen changes in these factors could result in additional inventory provisions, or reversals of previous provisions, if required.

(iv) Stock-based compensation

Stock-based compensation is valued using the Black-Scholes Option Pricing Model at the date of grant and expensed in profit or loss over vesting period of each award. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the option. Stock-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

(v) Current and deferred taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

(vi) Useful lives of long-lived assets

Following initial recognition, the Company carries the long-lived assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the long-lived resulting in a change in related amortization expense.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Significant accounting estimates and judgments (continued)

Critical accounting judgments

(i) Right-of-use assets and lease liability

For right-of-use assets and lease liability, the Company applies judgment in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

(ii) Functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

(iii) Evaluation of the Company's ability to continue as a going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing these consolidated financial statements. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The assessment of the Company's ability to execute its strategy and finance the operations through achieving positive cash flow from operations or by obtaining additional funding through debt or equity financing involves judgments. Management monitors future cash requirements to assess the Company's ability to realize assets and discharge its liabilities in the normal course of operations.

(iv) Impairment of intangible assets

Judgment is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required.

q) New accounting standards issued, but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretation Committee that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q) New accounting standards issued, but not yet effective (continued)

In May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The amendments narrowed the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences. The amendments are effective January 1, 2023, with early adoption permitted. The Company does not expect the adoption of these amendments to have a material effect on the consolidated financial statements.

In February 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments introduced a definition of accounting estimates and included other amendments to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective January 1, 2023, with early adoption permitted. The Company does not expect the adoption of these amendments to have a material effect on the consolidated financial statements.

4. TRADE AND OTHER RECEIVABLES

	September 30, 2022	September 30, 2021
	\$	\$
Other receivables	17,465	10,806
	17,465	10,806

During the year ended September 30, 2022, the Company recorded bad debt expense of \$nil (2021: \$218,681).

5. INVENTORY

	September 30, 2022	September 30, 2021
	\$	\$
Raw materials	66,103	66,103
	66,103	66,103

The cost of inventory recognized as cost of sales during the year ended September 30, 2022 was \$128,605 (2021: \$31,046). During the year ended September 30, 2022, the Company wrote-down inventories for a total of \$nil (2021: \$40,431), and no reversals of write-downs for all periods presented. Prepaid expenses include prepaid amounts for inventory of \$64,750 (2021: \$65,341).

6. INVESTMENT AND LOAN RECEIVABLE

On August 17, 2022, the Company entered into an arm's length agreement with an individual to acquire a loan receivable from a Canadian bottled water supplier (the "Borrower") for the amount of \$480,000 for consideration of \$330,000 in cash and \$150,000 in the form of the Company's common shares. The Company's common shares were issued at a deemed price of \$0.10 per share. As part of this acquisition, the Company also acquired a 15% equity interest of the Borrower for \$1.

The loan is unsecured and bears interest at 10% per annum. The principal balance plus accrued interest is due on December 31, 2022. During the year ended September 30, 2022, interest of \$5,786 (2021: \$nil) has been accrued.

During the year ended September 30, 2022, management determined there were indicators of impairment of the loan receivable from the Borrower and accordingly has provided an allowance for the entire balance of the loan and accrued interest receivable in accordance with the expected credit loss model for financial instruments. The Company has recorded \$485,786 (2021: \$nil) as an impairment provision on the loan receivable for the year ended September 30, 2022.

Subsequent to September 30, 2022, the Company entered into an amended loan agreement with the Borrower to extend the loan to December 31, 2023.

7. PROPERTY AND EQUIPMENT

Cost	Leasehold improvements	Furniture	Office equipment	Total
	\$	\$	\$	\$
September 30, 2022, 2021 and 2020	117,609	32,122	18,969	168,700

Accumulated amortization	Leasehold improvements	Furniture	Office equipment	Total
September 30, 2020	83,019	32,122	17,739	132,880
Additions	27,673	-	1,230	28,903
September 30, 2021	110,692	32,122	18,969	161,783
Additions	6,917	-	-	6,917
September 30, 2022	117,609	32,122	18,969	168,700

Net book value	Leasehold improvements	Furniture	Office equipment	Total
September 30, 2021	6,917	-	-	6,917
September 30, 2022	-	-	-	-

During the year ended September 30, 2022, the Company sold the fully amortized equipment to a third party and recorded a gain on sale of \$8,465 (2021: \$nil).

8. INTANGIBLE ASSETS

Cost	Water Use Rights	Website	Trademarks	Customer List	Total
	\$	\$	\$	\$	\$
September 30, 2022, 2021 and 2020	109,500	79,905	52,927	95,565	337,897

Accumulated amortization	Water Use Rights	Website	Trademarks	Customer List	Total
September 30, 2020	109,500	79,905	-	9,557	198,962
Additions	-	-	-	14,333	14,333
Impairment	-	-	42,801	71,675	114,476
September 30, 2022 and 2021	109,500	79,905	42,801	95,565	327,771

Net book value	Water Use Rights	Website	Trademark	Customer List	Total
September 30, 2020	-	-	52,927	86,008	138,935
September 30, 2022 and 2021	-	-	10,126	-	10,126

During the year ended September 30, 2021, the Company recorded impairment charges of \$114,476 to write down its intangible assets. There was no impairment charge for the year ended September 30, 2022.

9. LEASES

As at September 30, 2022, the Company's lease agreement for its leased office premises has been fully amortized. The lease was recognized as a right-of-use asset and a corresponding liability was measured at the present value of the remaining lease payments using the rate of 10%. The right-of-use asset is depreciated over the lease terms.

Cost	Vancouver office
	\$
September 30, 2021 and 2022	397,546
Accumulated amortization	
September 30, 2020	176,687
Additions	176,687
September 30, 2021	353,374
Additions	44,172
September 30, 2022	397,546
Net book value	
September 30, 2021	44,172
September 30, 2022	-
Lease Liability	
	Vancouver office
	\$
September 30, 2020	231,799
Interest	14,939
Payments	(198,043)
September 30, 2021	48,695
Interest	814
Payments	(49,509)
September 30, 2022	-

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30,2022	September 30, 2021
	\$	\$
Trade accounts payable	119,222	132,910
Salary and benefits payable	24,029	24,029
	143,251	156,939

11. GOVERNMENT ASSISTANCE

During the year ended September 30, 2020, the Company applied for the COVID-19 Relief Program. Export Development Canada (“EDC”) and the Business Development Bank of Canada (“BDC”) provided a direct loan to the Company (“CEBA Loan”) of \$40,000. During the year ended September 30, 2021, the Company received an additional loan of \$20,000. The CEBA Loan has an initial term date on December 31, 2023 (the “Initial Term Date”) and may be extended to December 31, 2025. The CEBA Loan is non-revolving, with an interest rate being 0% per annum prior to the Initial Term Date and 5% per annum thereafter during any extended term, which is calculated daily and paid monthly. The CEBA Loan can be repaid at any time without penalty.

12. SHARE CAPITAL

a) Authorized

Unlimited number of voting common shares without par value.

b) Share transactions

On April 1, 2022, the Company completed a non-brokered private placement consisting of 5,000,000 units at a price of \$0.10 per Unit. Each Unit consisted of one common share of the Company and one transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of \$0.15 each for a period of one year following the closing date of the private placement. A value of \$nil has been attributed to the warrants using the residual method.

c) Stock options

The Company has a stock option plan (the “Plan”) whereby it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option granted under the Plan shall not be less than the market value of the shares as at the grant date and vesting provisions for issued options are determined at the discretion of the Board of Directors.

A summary of stock option activities for the years ended September 30, 2022 and 2021 is as follows:

	Number of Options	Weighted Average Exercise Price
		\$
Balance, September 30, 2021 and 2020	237,500	2.40
Option expired	(50,000)	1.76
Balance, September 30, 2022	187,500	2.40

12. SHARE CAPITAL (continued)

c) Stock options (continued)

As at September 30, 2022 and 2021, the Company has the following options outstanding and exercisable:

Outstanding as at September 30, 2022			Exercisable as at September 30, 2022			
Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
187,500	2.40	0.99	187,500	2.40	0.99	September 26, 2023
187,500	\$ 2.40	0.99	187,500	\$ 2.40	0.99	

Outstanding as at September 30, 2021			Exercisable as at September 30, 2021			
Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
50,000	\$ 1.76	0.65	50,000	\$ 1.76	0.65	May 25, 2022
187,500	2.40	1.99	187,500	2.40	1.99	September 26, 2023
237,500	\$ 2.27	1.71	237,500	\$ 2.27	1.71	

d) Warrants

The warrants that are issued and outstanding as at September 30, 2022 and 2021 are as follows:

	Number of warrants	Weighted average Exercise price	Weighted Average Remaining Contractual Life (years)	Expiry date
Balance, September 30, 2020	3,946,674	\$ 0.40	0.28	
Warrant expired	(3,946,674)	\$ 0.40	-	
Balance, September 30, 2021	-	\$ -	-	
Issued	5,000,000	\$ 0.15	0.50	April 1, 2023
Balance, September 30, 2022	5,000,000	\$ 0.15	0.50	

13. INCOME TAXES

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

	2022	2021
	\$	\$
Loss for the year	(937,281)	(1,134,185)
Canadian statutory tax rate	27%	27%
Income tax benefit computed at statutory rates	(253,066)	(306,230)
Items non-deductible for income tax purposes	131,162	3,797
Unused tax losses and tax offsets not recognized in tax asset	121,904	302,433
Income tax benefit	-	-

The Company's statutory rate includes a combined Canadian federal corporate tax rate of 16% and the applicable provincial corporate tax rate of 11%.

The Company recognizes tax benefits on losses or other deductible amounts generated in countries where it is probable the Company will generate taxable income to be able to recognize deferred tax assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2022	2021
	\$	\$
Non-capital losses	5,837,220	5,358,400
Property and equipment	24,399	117,078
Intangibles	34,086	76,537
Share issuance costs	20,358	49,674
Unrecognized deductible temporary differences	5,916,063	5,601,689

The Company's unrecognized unused non-capital losses have the following expiry dates:

	\$
2036	10,400
2037	508,300
2038	969,900
2039	1,559,660
2040	1,159,660
2041	1,156,700
2042	472,600
	5,837,220

14. RELATED PARTY TRANSACTIONS AND BALANCES

The following is a summary of balances and transactions with directors and officers of the Company:

	2022	2021
	\$	\$
<i>Transactions:</i>		
Director fees	60,000	60,000
Salaries and benefits	97,400	105,000
Stock-based compensation	-	9,375

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at their estimated fair value amounts. There is no amount owing to directors and officers.

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value of financial instruments

The Company has the following financial instruments as of September 30, 2022 and 2021:

		September 30, 2022	September 30, 2021
	Categories	\$	\$
Financial assets			
Cash and cash equivalents	FVTPL	504,608	952,475
Trade and other receivables (exclude GST)	Amortized cost	-	-
Investment	FVTPL	1	-
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	143,251	156,939
Government assistance	Amortized cost	60,000	60,000
Lease liabilities	Amortized cost	-	48,696

The Company classifies its fair value measurements in accordance with the fair value hierarchies as follows:

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

The fair value of cash and cash equivalents, trade and other receivables (excluding GST), loan receivable, accounts payable and accrued liabilities and lease liabilities approximate their carrying values as at the reporting date due to the short-term maturities of these instruments. Cash and cash equivalents and investment are level 1 fair value hierarchy.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

a) Currency risk

The Company generates revenues and incurs expenses primarily in Canada and China and is exposed to risk from changes in foreign currency exchange rates. In addition, the Company holds financial assets and liabilities in foreign currencies that expose the Company to foreign exchange risk. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

At September 30, 2022, the Company had cash of \$59,289 (2021: \$83,053), which is denominated in US dollars. For the year ended September 30, 2022, the Company's sensitivity analysis suggests that a change in the absolute rate of exchange in US dollars by 10% will increase or decrease comprehensive loss by approximately \$5,900 (2021: \$8,305).

b) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on cash equivalents is insignificant, as the deposits are short-term. The Company's \$60,000 loan (note 11) is non-interest bearing until December 31, 2022. Any amounts unpaid will be subject to 5% interest. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

The Company's loan receivable have fixed interest rates of 10% per annum. As such, the Company's cash flow would not be impacted by changes in market rates of interest.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, trade and other receivables, and loan receivable. The Company limits its exposure to credit risk on cash and cash equivalents by depositing only with reputable financial institutions. Credit risk is primarily associated with trade receivables and loan receivable. Credit risk on trade receivables is minimized by performing credit reviews, ongoing credit evaluation and account monitoring procedures. All trade receivables have been reviewed for indicators of impairment and the consolidated financial statements take into account an allowance for bad debts. Except for the bad debt of \$nil (2021: \$218,681), there were no overdue trade receivables outstanding as at September 30, 2022 and 2021 and collection is reasonably assured.

The Company's Loan receivables are subject to expected credit loss model. Management assesses the credit worthiness of entities it advances loan to prior to and on a periodic basis. If it is determined that the counterparty is undergoing financial difficulty, management estimates a recoverable amount and books an allowance for expected credit losses. The Company's loan receivables have been impaired to \$nil.

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at September 30, 2022, the Company had a working capital of \$479,735 (2021: \$715,928). The Company is focused on generating sales revenue and is actively pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and planned capital expenditures.

The following table summarizes the maturities of the Company's financial liabilities as at September 30, 2022 based on the undiscounted contractual cash flows:

	Carrying amount	Contractual cash flows	Less than 1 year	1 - 3 years	4 - 5 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	143,251	143,251	143,251	-	-
Government assistance	60,000	60,000	-	60,000	-
Total	203,251	203,251	143,251	60,000	-

16. CAPITAL MANAGEMENT

The Company has defined its capital as share capital, reserves and accumulated deficit.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to maintain appropriate cash reserves on hand to support continued operations and shareholder returns, maintain capital structure while keeping capital costs at a minimum, and to invest cash on hand in highly liquid, highly rated financial instruments.

The Company is not exposed to externally imposed capital restrictions, and the Company's objectives and strategies described above have not changed during the year. These objectives and strategies are reviewed on a continuous basis.

17. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment: in the business of distribution and sale of beverage and food products in Canada, China and emerging markets. All long-term assets are held in Canada.

During the year ended September 30, 2022, sales with one customer provided 100% of total sales (2021: 100%).