Acceleware Ltd.

Condensed Interim Financial Statements (Unaudited)
For the Three Months Ended March 31, 2023 and 2022

(in Canadian dollars)

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Contents

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 financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Acceleware Ltd. (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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Acceleware Ltd.

Condensed Statements of Financial Position (Unaudited)
(in Canadian dollars)

As at:

		March 31, 2023		December 31, 2022
Assets				
Current				
Cash and cash equivalents	**$**	**1,004,414**	$	1,146,468
Trade and other receivables *(note 7)*		**592,161**		1,034,940
Deposits and prepaid expenses		**272,319**		263,325
		1,868,894		2,444,733
Non-current				
Right of use assets		**73,913**		84,099
Total assets	**$**	**1,942,807**	$	2,528,832
Liabilities and Equity				
Current				
Accounts payable and accrued liabilities	**$**	**2,059,401**	$	2,308,103
Other current liabilities *(notes 5, 6, 9)*		**825,260**		772,272
Total current liabilities		**2,884,661**		3,080,375
Deferred revenue *(note 9)*		**4,350,000**		4,350,000
Convertible debentures *(note 6)*		**1,298,433**		1,257,041
Derivative liabilities *(note 6)*		**233,200**		647,300
Other non-current liabilities *(note 5)*		**346,997**		353,130
Total liabilities		**9,113,291**		9,687,846
Shareholders' Equity				
Share capital *(note 8a)*		**24,941,130**		24,521,588
Reserves *(note 8b)*		**8,444,676**		8,620,071
Deficit		**(40,556,290)**		(40,300,673)
Total shareholders' equity		**(7,170,484)**		(7,159,014)
Total liabilities and shareholders' equity	**$**	**1,942,807**	$	2,528,832

Going concern (note 3)

Approved on behalf of the Board:

"signed"

Bohdan Romaniuk, Director

"signed"

Geoff Clark, Director

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

Acceleware Ltd.

Condensed Statements of Comprehensive Loss (Unaudited)

(in Canadian dollars)

For the:

		Three months ended March 31, 2023		Three months ended March 31, 2022
Revenue *(note 9)*	**$**	**103,547**	$	82,407
Expenses				
General and administrative		**322,939**		473,656
Research and development		**318,345**		1,512,124
		641,284		1,985,780
Loss from operations		**(537,737)**		(1,903,373)
Finance income (expense)		**(131,681)**		(2,290)
Gain on derivative instruments		**414,100**		—
Foreign exchange gain/(loss)		**(299)**		787
		282,120		(1,503)
Total comprehensive income (loss) for the period attributable to shareholders	**$**	**(255,617)**	$	(1,904,876)
Loss per share				
Basic and diluted	**$**	**(0.002)**	$	(0.02)
Weighted average shares outstanding – basic and diluted		**115,672,149**		108,242,093

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

Acceleware Ltd.

Statements of Changes in Shareholders' Equity (Unaudited)
(in Canadian dollars)

		Share capital				Reserves						
		Common shares		Amount		Warrants		Contributed surplus		Total Reserves		Deficit		Total shareholders' equity
Balance at December 31, 2021	#	108,095,340	$	23,178,884	$	—	$	7,856,632	$	7,856,632	$	(35,158,505)	$	(4,122,989)
Total comprehensive loss		—		—		—		—		—		(1,904,876)		(1,904,876)
Exercise of stock options for cash *(note 8a)*		260,000		41,850		—		—		—		—		41,850
Share-based payments														
Current period expense		—		—		—		101,671		101,671		—		101,671
Stock options exercised *(note 8a)*		—		39,532		—		(39,532)		(39,532)		—		—
Balance at March 31, 2022	**#**	**108,355,340**	**$**	**23,260,266**	**$**	**—**	**$**	**7,918,771**	**$**	**7,918,771**	**$**	**(37,063,381)**	**$**	**(5,884,344)**
Balance at December 31, 2022	#	115,072,007	$	24,521,588	$	532,600	$	8,087,471	$	8,620,071	$	(40,300,673)	$	(7,159,014)
Total comprehensive loss		—		—		—		—		—		(255,617)		(255,617)
Exercise of stock options for cash *(note 8a)*		1,205,000		211,700		—		—		—		—		211,700
Share-based payments														
Current period expense		—		—		—		32,447		32,447		—		32,447
Stock options exercised *(note 8a)*		—		207,842		—		(207,842)		(207,842)		—		—
Balance at March 31, 2023	**#**	**116,277,007**	**$**	**24,941,130**	**$**	**532,600**	**$**	**7,912,076**	**$**	**8,444,676**	**$**	**(40,556,290)**	**$**	**(7,170,484)**

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

Acceleware Ltd.

Condensed Statements of Cash Flows (Unaudited)
(in Canadian dollars)

For the:

		Three months ended March 31, 2023		Three months ended March 31, 2022
Cash flows from (used for) operating activities				
Total comprehensive loss	**$**	**(255,617)**	$	(1,904,876)
Items not involving cash:				
Amortization expense		**10,186**		23,651
Decommissioning expense		**2,436**		100,000
Share-based payments expense		**32,447**		101,671
Change in fair value of derivative financial instruments		**(414,100)**		—
Interest expense		**129,723**		2,343
Changes in non-cash working capital items:				
Trade and other receivables		**442,779**		84,907
Deposits and prepaid expenses		**(8,994)**		(48,443)
Accounts payable and accrued liabilities		**(280,686)**		472,027
Contract liabilities		**(2,236)**		(16,333)
Deferred government assistance for R&D		**—**		(616,219)
Deferred revenue		**—**		400,000
Net cash flows (used in) from operating activities		**(344,062)**		(1,401,272)
Cash flows used for financing activities				
Net proceeds on issuance of common shares		**211,700**		41,850
Payments on lease obligations		**(9,692)**		(9,692)
Increase in other non-current liabilities *(note 6)*		**—**		305,000
Net proceeds from convertible debentures *(note 6)*		**—**		1,466,657
Net cash flows provided by financing activities		**202,008**		1,803,815
Increase in cash and cash equivalents		**(142,054)**		402,543
Cash and cash equivalents, beginning of period		**1,146,468**		1,947,512
Cash and cash equivalents, end of period		**1,004,414**		2,350,055
Consisting of:				
Cash on deposit	**$**	**984,622**	$	2,330,263
Cash equivalents		**19,792**		19,792
	$	**1,004,414**	$	2,350,055

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

1. General information

Acceleware Ltd. (the “Company” or “Acceleware”) is a clean-tech company based in Calgary, Alberta. The Company is developing an enhanced heavy oil and oil sands production technology based on radio frequency (“RF”) heating that is designed to reduce the environmental impact of oil production while also reducing cost. That same RF heating technology is also being applied to the decarbonization of certain other industrial heating applications currently in development. Acceleware also specializes in the development and marketing of special purpose computational software products for the oil and gas and other markets. The Company is incorporated under the Alberta Business Corporations Act, has its registered offices at 1400, 350 - 7th Avenue SW, Calgary, Alberta, Canada, and trades on the TSX Venture Exchange under the symbol AXE.

2. Basis of presentation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim financial statements, including International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) and have been prepared following the same accounting policies and method of computation as the annual financial statements for the year ended December 31, 2022. The disclosures provided below are incremental to those included with the annual financial statements. Certain information and disclosures normally included in the notes to the annual financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved by the Board of Directors on May 23, 2023.

(b) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts may differ from these estimates. Estimates, judgments and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which such estimates are revised if the revision affects only that period or in the period of the revision and future periods if the review affects both the current and future periods.

Acceleware Ltd.

Notes to Condensed Interim Financial Statements

March 31, 2022 and 2021

(in Canadian dollars)

3. Going concern

These financial statements have been prepared on a 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. As of March 31, 2023, the Company has a deficit balance of $40,556,290 (December 31, 2022 - $40,300,673) and net loss of $255,617 (March 31, 2022 - $1,904,876) largely due to investments in new product development and in the penetration of new markets. In particular, the Company invested $318,345 net of government assistance of $434,023 for the three months ended March 31, 2023 (March 31, 2022 - $1,512,124 net of government assistance of $1,110,843), in research and development, principally for the Company's proprietary RF heating technology ("RF XL" or "RF heating"). These factors indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company actively manages its cash flow and investment in new products to match its cash generated from operations including government assistance. To maximize cash generated from operations, the Company plans to focus on high gross margin revenue streams such as software, and RF heating services; minimize operating expenses where possible; and limit capital expenditure. As the Company continues to develop its RF heating technology, new research and development investments will be financed through a combination of internal cash flow from the high-performance computing software business, government assistance, industry partners and external financing. Management believes that successful execution of its business plan will result in sufficient cash flow and new financing to fund projected operational and investment requirements. However, no assurances can be given that the Company will be able to achieve all or substantially all of the objectives discussed above, or that sufficient financing from outside sources will be available. Further, if the Company's operations are unable to generate cash flow levels at or above current projections, the Company may not have sufficient funds to meet its obligations over the next twelve months.

Should such events occur, Management is committed to implementing all or a portion of its contingency plan. This plan has been developed and designed to provide additional cash flow, and includes, but is not limited to, deferring certain additional product development initiatives, and reducing sales, marketing and general and administrative expenses, while seeking outside financing. The failure of the Company to achieve one or all of the above items may have a material adverse impact on the Company's financial position, results of financial performance and cash flows.

The ability of the Company to continue as a going concern is dependent upon successful execution of its plans noted above. The outcome of these initiatives cannot be predicted at this time. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern for a reasonable period of time.

4. Significant accounting policies

The significant accounting policies used in the preparation of these condensed interim financial statements are unchanged from those disclosed in the Company's financial statements for the year ended December 31, 2022.

(in Canadian dollars)

5. Other liabilities

a) On October 1, 2020, Acceleware entered into a new lease agreement to lease 5,244 square feet of office space for a period of five years, ending on September 30, 2025. In addition to the basic monthly rents, the Company must pay a proportionate share of property taxes, operating costs, utilities and additional services. These payments are fixed throughout the year with an annual true up and are excluded from lease payments below.

The following table summarizes the undiscounted contractual cash flows:

	March 31, 2023	December 31, 2022
2023	**29,686**	38,686
2024	**36,000**	36,000
2025	**27,000**	27,000
Minimum lease payments	**92,686**	101,686
Less: interest portion at a rate of 8.0% (2022 – 8.0%)	**8,912**	14,444
Net minimum lease payments	**83,774**	87,242

Variable lease payments for operating costs not included in the above table are approximately $60,000 per year (December 31, 2022 - $60,000).

b) On December 3, 2022, the Company signed a promissory note payable for $678,774, bearing interest at 9.45% per annum and secured with a general security agreement over the Company's assets. Payments, including interest are due as follows: $274,000 due June 30, 2023, $237,000 due September 30, 2023, and $232,000 due December 31, 2023. The principal amount of the promissory note is included in Other current liabilities on the statement of financial position.

6. Convertible debentures

As of April 4, 2022, the Company had closed two non-brokered private placements of 10% unsecured convertible debentures for total gross proceeds of $2,215,000. The first debenture with gross proceeds of $1,500,000 was issued on March 24, 2022 ("First Debenture"), and the second debenture with gross proceeds of $715,000 was issued on April 4, 2022 ("Second Debenture"). Each debenture matures four years after the issue date and is convertible into units of the Company (each a "Unit") at a conversion price of $0.80 (the "Conversion Price"), at the holders' option (the "Conversion Option") beginning four months after the date of issue. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share, at an exercise price equal to 200% of the Conversion Price for a 24-month period following the issue date of the debentures. If at any time during the Term, the Company announces an offering of common shares below the Conversion Price, the debenture holders have the option (the "Anti-Dilution Option") to convert at the offering price or the contracted floor price, whichever is higher, provided the debentures are converted within 15 days of the announcement. The contracted floor price of the First Debenture is $0.68 and $0.72 for the Second Debenture. At any time during the Term, the Company has the option to pre-pay all or a portion of the debentures provided the Company pays all interest that would have accrued on the redeemed debentures up to maturity ("the Pre-payment Option"). The Company has the option to force conversion (the "Forced Conversion Option") of the debentures until the maturity date into Units provided that on the day of conversion, the 30-day volume weighted average price of the Company's common shares is equal to or above $1.04.

(in Canadian dollars)

6. Convertible debentures (cont'd)

As of March 31, 2022, the Company had received net proceeds of $1,466,657 for the First Debenture and $305,000 for the Second Debenture. As of April 4, 2022, total net proceeds of $2,161,657 were received from both debentures and were used to fund the further development and testing of the Company's RF heating technology and for general corporate purposes. Fair value of the Conversion Option with the Anti-Dilution Option was measured using a Black-Scholes option pricing model. The Forced Conversion Option was measured using a binomial option pricing model and the net present value of financing costs saved upon exercise of the option. The Pre-Payment Option was determined to have no material value.

The following weighted average assumptions were used as inputs into the pricing models:

	March 31, 2023	December 31, 2022
Expected volatility	**0.90 - 1.17**	0.90-1.28
Risk-free interest rate	**4.25%**	3.85%-3.86%
Share price on measurement date	**$0.22**	$0.34
Expected dividend yield	**Nil**	Nil
Expected life	**1 - 3 years**	1.25-3.25 years

The value of each component, allocated amongst the debt host and embedded derivatives is as follows:

		Principal	Debt	Derivative Liabilities
Balance, December 31, 2022	$	1,904,341	1,257,041	647,300
Fair value adjustment		(414,100)	—	(414,100)
Accretion		41,392	41,392	—
Balance, March 31, 2023		**1,531,633**	**1,298,433**	**233,200**

7. Government assistance

In 2018 the Company entered into contribution agreements with Sustainable Development Technology Canada ("SDTC") and Emissions Reduction Alberta ("ERA") to provide $10,000,000 of non-dilutive and non-repayable funding for the commercial-scale pilot test of the RF XL technology. In response to the global pandemic, SDTC contributed an additional $262,500 in 2021 and an additional $250,000 in 2020 bringing the total committed contribution to $10,512,500 as at March 31, 2023. Under the terms of the agreements, SDTC and ERA provide milestone-based funding at the beginning of a milestone. During the three months ended March 31, 2023, the Company received $nil (March 31, 2022 – $nil).

Effective January 1, 2021 and amended November 2022, Acceleware entered into an investment agreement with Alberta Innovates to provide up to $5,900,000 of non-dilutive and non-repayable funding for the commercial-scale pilot test of the RF XL technology. The Company received milestone payments of $500,000 during the three months ended March 31, 2023 (March 31, 2022 - $500,000).

The remaining amount committed but not yet received from SDTC and ERA, including holdbacks receivable, is $500,000 (December 31, 2022 - $1,000,000). Total project costs incurred since inception for the commercial-scale pilot test as at March 31, 2023 are approximately $26,716,000 (Inception to December 31, 2022 - $25,960,000).

7. Government assistance (cont'd)

Proceeds generated from the sale of produced oil from the pilot test are recorded as an offset to project costs within research and development expenses. There were no proceeds received from the sale of produced oil in the three months ended March 31, 2023 (March 31, 2022 - $nil).

8. Share capital and other components of shareholders' equity

(a) Share capital

The authorized share capital of the Company consists of an unlimited number of common shares, and unlimited number of first preferred shares and second preferred shares, of which none have been issued.

During the three months ended March 31, 2023, 1,205,000 stock options (March 31, 2022 – 260,000) were exercised for cash proceeds of $211,700 (March 31, 2022 - $41,850). Non-cash compensation charges of $207,842 (March 31, 2022 - $39,532) were reclassified from contributed surplus to share capital on the exercise of these options.

(b) Warrants

On November 10, 2022, the Company closed a non-brokered private placement consisting of 6,666,667 units at a price of $0.27 per unit for gross proceeds of $1,800,000 and proceeds net of issue costs of $1,780,857. Each unit consists of one common share and on common share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at a price of $0.36 per unit for a period of two years. The gross proceeds from the private placement were allocated to share capital and warrants based on each components pro-rata fair value. The fair value of the warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: expected volatility 0.95, a risk-free interest rate of 3.87%, expected dividend yield of nil and expected life of two years. As a result of the November 10, 2022 private placement of units, the Company has 6,666,667 common share purchase warrants outstanding with an aggregate fair value of $532,600.

(c) Share-based payments

At March 31, 2023, the Company had one equity-settled share-based compensation plan. The Company accounts for options granted under this plan in accordance with the fair value method of accounting for share-based compensation. The estimated fair value of the options that are ultimately expected to vest is recorded over the option's vesting period and charged to share-based compensation expenses. There were no options granted in the three months ended March 31, 2023 (March 31, 2022 – nil).

Subsequent to March 31, 2023, there were 5,465,000 options granted on April 15, 2023. The options have a weighted average exercise price of $0.23 per common share and expire five years from the date of grant. Of the 5,465,000 options granted, 2,420,000 shall vest on the first anniversary of the grant date, 2,145,000 shall vest on the second anniversary of the grant date, 450,000 shall vest when the share price of the common shares of the Company closes at or above $0.29 for ten consecutive trading days, and 450,000 shall vest when the share price of the common shares of the Company closes at or above $0.345 for ten consecutive trading days.

(in Canadian dollars)

8. Share capital and other components of shareholders' equity (cont'd)

(c) Share-based payments (cont'd)

The changes to the number of options outstanding and their weighted average exercise price are as follows:

	Number	Weighted Average Exercise Price
Balance, December 31, 2021	9,749,164	$ 0.21
Exercised	(260,000)	0.16
Balance, March 31, 2022	9,489,164	$ 0.20
Balance, December 31, 2022	9,331,164	$ 0.20
Exercised	(1,205,000)	0.18
Expired	(1,231,534)	0.30
Balance, March 31, 2023	6,894,630	$ 0.19

Summary of options outstanding and exercisable as at March 31, 2023 are as follows:

Exercise price outstanding	Grant Date	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
$0.10 - $0.135	Jan 2019 to June 2020	3,423,532	1.22	0.12	3,423,532
$0.20 - $0.21	Feb 2017 to Oct 2018	1,274,632	0.03	0.21	1,274,632
$0.29 - $0.30	May 2021 to Sept 2021	2,196,466	3.41	0.29	1,346,966
		6,894,630	1.71	$0.19	6,045,130

Summary of options outstanding and exercisable as at March 31, 2022 is as follows:

Exercise price outstanding	Grant Date	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
$0.10 - $0.135	Jan 2019 to June 2020	4,013,532	2.23	$0.12	3,913,532
$0.20 - $0.21	Feb 2017 to Oct 2018	1,869,632	1.08	0.21	1,869,632
$0.29 - $0.30	Jan 2018 to Sept 2021	3,606,000	3.11	0.29	1,799,000
		9,489,164	2.34	$0.20	7,582,164

(d) Earnings per share

The calculation of weighted average shares outstanding for the diluted loss per share calculation excludes the impact of the options outstanding as at March 31, 2023 and 2022 as the effect is anti-dilutive.

(in Canadian dollars)

9. Revenue

The Company sub-classifies revenue within the following components: software revenue, maintenance revenue, data revenue and services revenue. The following table shows the breakdown of revenue:

		Three months ended March 31, 2023		Three months ended March 31, 2022
Software	**$**	**19,180**	$	17,639
Maintenance		**36,867**		64,768
Consulting		**47,500**		—
	$	**103,547**	$	82,407

(a) Data revenue

Since 2018, the Company entered into Project Funding Agreements and Test Data Purchase Agreements (the "Agreements") with three major oil-sands producers, the terms of which provide the customer with the right to access and use data obtained from the commercial-scale pilot of RF XL technology Acceleware is conducting at Marwayne, Alberta. Under the terms of the Agreements, Acceleware will receive total funding of up to $6,000,000, paid in installments upon completion of each milestone. Each milestone payment is non-refundable.

Under IFRS 15 Revenue from Contracts with Customers, these contracts did not meet all requirements for revenue recognition over-time, therefore revenue recognition defaults to the end of the contract. For each completed milestone, the Company has no outstanding obligation to deliver goods or services. Revenue of up to $5,850,000 for this contract will be recognized once heating is complete or the contract is terminated, whichever is earlier. Software and maintenance revenue of $150,000 was recognized in prior years.

(b) Major Customers

The Company derives significant revenues from two major customers. Revenue from these customers was $98,458 for the three months ended March 31, 2023 (for the three months ended March 31, 2022 – one major customer accounted for total revenue of $50,659).

(in Canadian dollars)

10. Operating segments

The Company has two operating segments, referred to as "High-Performance Computing" ("HPC") and "RF Heating". The operating segments are reportable segments in accordance with IFRS 8 Operating Segments. The Company's HPC segment sells proprietary high-performance computing software and related consulting services and training programs primarily to the oil and gas industry. The RF Heating segment is engaged in research, development, and commercialization activities related to the Company's proprietary enhanced heavy oil and oil sands production technology.

Expenses associated with corporate support functions are allocated to the Company's segments based on the segment's percentage of total labour expenses for the allocation period. All intersegment transactions between the HPC and RF Heating segments have been eliminated.

For the three months ended March 31, 2023

		RF Heating	HPC	Total
Revenue	$	52,000	51,547	103,547
Expenses				
General and administrative		290,179	32,760	322,939
Research and development		318,345	—	318,345
		608,524	32,760	641,284
(Loss) income from operations		**(556,524)**	**18,787**	**(537,737)**

For the three months ended March 31, 2022

		RF Heating		HPC		Total
Revenue	$	—	$	82,407	$	82,407
Expenses						
General and administrative		357,563		116,093		473,656
Research and development		1,512,124		—		1,512,124
		1,869,687		116,093		1,985,780
Loss from operations		(1,869,687)		(33,686)		(1,903,373)

(in Canadian dollars)

11. Related Party Transactions

(a) For the three months ended March 31, 2023, the Company incurred expenses in the amount of $45,938 (three months ended March 31, 2022 - $45,938) with a company controlled by an officer of the Company as fees for duties performed in managing operations, and this amount is included in research and development expense. As at March 31, 2023 $203,902 was included in accounts payable and accrued liabilities (December 31, 2022 - $206,902). These fees were incurred in the normal course of operations and in the opinion of the Company's management represent fair value for services rendered.

(b) For the three months ended March 31, 2023, the Company incurred expenses in the amount of $11,405 (three months ended March 31, 2022 - $26,902) with a company controlled by an officer of the Company for legal fees, and this amount is included in general and administrative expense. As at March 31, 2023, $11,973 (December 31, 2022 - $16,670) was included in accounts payable and accrued liabilities. These fees were incurred in the normal course of operations and in the opinion of the Company's management represent fair value for services rendered.

(c) For the three months ended March 31, 2023, the Company incurred expenses in the amount of $36,000 (three months ended March 31, 2022 - $36,000) with a company controlled by the spouse of an officer of the Company for communications and other services, and this amount is included in general and administrative expense. As at March 31, 2023, $12,600 was included in accounts payable and accrued liabilities (December 31, 2022 - $44,750). These fees were incurred in the normal course of operations and in the opinion of the Company's management represent fair value for services rendered.

(d) Key management includes the Company's directors and members of the executive management team. Compensation awarded to key management included:

		Three months ended March 31, 2023		Three months ended March 31, 2022
Salaries and short-term employee benefits	**$**	**218,140**	$	267,678
Share-based payments		**26,901**		70,033
	$	**245,041**	$	337,711