

Wi2Wi Corporation

Condensed Consolidated Interim Financial Statements **((Unaudited, expressed in US Dollars))**

Nine Month Period September 30, 2022 and September 30, 2021

Notice to Reader

These condensed consolidated interim financial statements of Wi2Wi Corporation for the nine months ended September 30, 2022 have been prepared by Management and were authorized for issue in accordance with a resolution of the Board of directors on November 9, 2022. Wi2Wi Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements, in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entities auditors.

Toronto, Canada
November 14, 2022

Wi2Wi Corporation

Table of Contents

Condensed Consolidated Interim Financial Statements (Unaudited)

Unaudited Condensed Consolidated Interim Statements of Financial Position	3
Unaudited Consolidated Interim Statements of Income	4
Consolidated Statements of Changes in Shareholders' Equity	5
Unaudited Consolidated Interim Statements of Cash Flows	6
Notes to Unaudited Condensed Consolidated Interim Financial Statements	7-24

Wi2Wi Corporation
Unaudited Condensed Consolidated Interim Statements of Financial Position
(In thousands of U.S. dollars)

	September 30, 2022	December 31, 2021
Assets		
Current Assets		
Cash	\$ 1,017	\$ 1,883
Restricted cash (Note 22)	500	500
Trade accounts receivable (Note 7)	1,464	1,308
Inventories (Note 8)	2,717	2,756
Investment in Legend Oil and Gas Ltd.	3	3
Prepaid expenses and other current assets	250	174
Total current assets	5,951	6,624
Property and equipment (Note 9)	905	1,028
Right of use assets (Note 10)	2,547	2,948
Total Assets	\$ 9,403	\$ 10,600
Liabilities		
Current Liabilities		
Accounts payable	\$ 669	\$ 354
Accrued liabilities (Note 12)	324	359
Current portion of lease obligations (Note 13)	472	472
Current portion of note payable (Note 15)	57	55
Total current liabilities	1,522	1,240
Lease obligations (Note 13)	2,282	2,638
Economic Injury Disaster Loan (Note 14)	150	150
Note payable (Note 15)	17	57
Total Liabilities	3,971	4,085
Shareholders' Equity		
Common shares (Note 17)	29,092	29,092
Reserves (Note 18)	3,835	3,835
Accumulated other comprehensive loss	(2)	(2)
Accumulated deficit	(27,493)	(26,410)
Total shareholders' equity	5,432	6,515
Total Liabilities and Shareholders' Equity	\$ 9,403	\$ 10,600

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board of Directors:

/s/ Zachariah Mathews, CEO and Director

/s/ Gary DuBroc, Chairman

Wi2Wi Corporation
Unaudited Consolidated Interim Statements of Income
(In thousands of U.S. dollars, except net income per share)

	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	2022	2021
Revenues	\$ 2,020	\$ 1,651	\$ 5,173	\$ 4,783
Cost of revenues (Note 8,9 and 14)	1,733	1,177	4,598	3,667
Gross profit	287	474	575	1,116
Operating expenses (Note 19)				
Research and development (Notes 9 and 10)	94	69	285	233
Selling, general and administrative (Notes 9 and 10)	439	344	1,251	1,080
Changes in fair value of investment in Legend Oil and Gas	-	6	-	6
Total operating expenses	533	419	1,536	1,319
Income (loss) from operations	(246)	55	(961)	(203)
Other Income (Expense)	(2)	(2)	(2)	(7)
Interest Income (Expense)	(38)	(45)	(120)	(136)
Income before income taxes	(286)	8	(1,083)	(346)
Provision for (benefit from) income tax	-	-	-	-
Net Income (loss)	\$ (286)	\$ 8	\$ (1,083)	\$ (346)
Net Income (loss) per share, basic and diluted (Note 17)	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.00)

See accompanying notes to consolidated financial statements.

Wi2Wi Corporation
Consolidated Statements of Changes in Shareholders' Equity
(In thousands of U.S. dollars, except per share data)

	Common Shares		Reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total shareholders' Equity
	Shares	Amount				
Balances, January 1, 2020	152,078,407	\$ 28,993	\$ 3,866	\$ (1)	\$ (25,618)	\$ 7,240
Share-based compensation expense	609,612	64	(17)	-	-	47
Net comprehensive income	-	-	-	(1)	(588)	(589)
Balances, December 31, 2020	152,688,019	\$ 29,057	\$ 3,849	\$ (2)	\$ (26,206)	\$ 6,698
Share-based compensation expense	245,294	35	(14)	-	-	21
Net comprehensive loss	-	-	-	-	(346)	(346)
Balances, September 30, 2021	152,933,313	\$ 29,092	\$ 3,835	\$ (2)	\$ (26,552)	\$ 6,373
Share-based compensation expense	-	-	-	-	-	-
Net comprehensive loss	-	-	-	-	142	142
Balances, December 31, 2021	152,933,313	\$ 29,092	\$ 3,835	\$ (2)	\$ (26,410)	\$ 6,515
Share-based compensation expense	-	-	-	-	-	-
Net comprehensive loss	-	-	-	-	(1,083)	(1,083)
Balances, September 30, 2022	152,933,313	\$ 29,092	\$ 3,835	\$ (2)	\$ (27,493)	\$ 5,432

See accompanying notes to consolidated financial statements

Wi2Wi Corporation
Unaudited Consolidated Interim Statements of Cash Flows
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	2022	2021
Cash Flows from Operating Activities				
Net income (loss)	\$ (286)	\$ 8	\$ (1,083)	\$ (346)
Adjustments for non-cash items:				
Depreciation and amortization	194	204	596	618
Share-based compensation	-	-	-	21
Changes in fair of investment in Legend Oil and Gas	-	6	-	6
Changes in non-cash working capital:				
Trade accounts receivable	(291)	(53)	(156)	(146)
Inventories	17	177	39	416
Prepaid expenses and other current assets	(21)	(49)	(76)	(42)
Accounts payable	237	98	315	169
Accrued liabilities	(4)	(23)	(35)	13
Net Cash Provided by (Used in) Operating Activities	(154)	368	(400)	709
Cash Flows from Investing Activity				
Additions to property and equipment	(7)	(15)	(72)	(32)
Net Cash Used in Investing Activity	(7)	(15)	(72)	(32)
Cash Flows from Financing Activities				
Proceeds of Economic Injury Disaster Loan	-	-	-	150
Proceeds of Paycheck Protection Loan	-	-	-	550
Repayment of note payable	(14)	(14)	(38)	(36)
Lease payments	(120)	(113)	(356)	(337)
Net Cash Provided by (Used in) Financing Activities	(134)	(127)	(394)	327
Effects of exchange rate changes on cash	-	-	-	-
Net Increase (decrease) in Cash	(295)	226	(866)	1,004
Cash, beginning of period	1,312	2,017	1,883	1,239
Cash, at end of period	\$ 1,017	\$ 2,243	\$ 1,017	\$ 2,243

See accompanying notes to consolidated financial statements.

Wi2Wi Corporation

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

1. Nature and Description of the Company

Sargeant Bay Capital, Inc., a Canadian entity, was incorporated pursuant to the Canada Business Corporations Act on July 9, 2004. On December 12, 2005, Sargeant Bay Capital, Inc. changed its name to Wi2Wi Corporation (the “Company”) and became the legal parent of its wholly owned operating subsidiary, Wi2Wi Inc., a Delaware company, through a reverse takeover transaction. Wi2Wi Inc., headquartered in San Jose, California, was incorporated on April 29, 2005 and was mainly inactive until it acquired the original equipment manufacturing (OEM) products division of Actiontec Electronics on October 1, 2005.

Wi2Wi is a vertically integrated manufacturer providing wireless connectivity solutions, precision timing devices, frequency control products and microwave filters to the global market addressing various applications in the market segments; Internet of Things (IoT), Industrial Internet of Things (IoT/M2M/Industry 4.0), Avionics, Space, Military and Industrial. The Company shares trade on the TSX Venture Exchange under the symbol “YTY”.

On February 4, 2016, Wi2Wi LLC was organized in the State of Wisconsin, a wholly owned subsidiary of Wi2Wi Inc. to conduct all or a portion of the Company’s business in the State of Wisconsin.

On June 3, 2016, WI2WI (India) PRIVATE LIMITED was incorporated in India, as a wholly owned subsidiary of Wi2Wi, Inc. This is an engineering office for the wireless connectivity products, which works on developing new products.

In the first several months of 2020, the virus COVID-19 spread worldwide. On March 23, 2020, the United States Department of Homeland Security has designated the Company as part of the Critical Infrastructure Sector. The Company continues to operate with a reduced manufacturing work force in essential product lines and continues to monitor and insure employee welfare. As of the filing date, the extent of the impact of COVID-19 on the Company’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

2. Basis of Preparation

The consolidated financial statements are presented in U.S. dollars and all values are rounded to the nearest thousand dollars except where otherwise indicated. The consolidated financial statements have been prepared on an accrual basis except for cash flow information, and are based on historical costs except for certain financial instruments, which are measured at fair value.

Statement of Compliance and Authorization

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under IAS 34, Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB). These unaudited condensed consolidated interim financial statements do not include all the information and notes required by IFRS for annual financial statements and, therefore, should be read in conjunction with the audited consolidated financial statements and notes for the Company’s year ended December 31, 2021, which are available on SEDAR at www.sedar.com.

The unaudited condensed consolidated interim financial statements include the financial statements of Wi2Wi Corporation and its wholly owned subsidiaries, Wi2Wi Inc., Wi2Wi LLC and Wi2Wi (India) PRIVATE LIMITED. All intercompany balances and transactions have been eliminated on consolidation.

The Company operates as one segment. Substantially all assets of the Company are located in the United States.

Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements

Wi2Wi Corporation

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

These condensed consolidated interim financial statements of Wi2Wi Corporation for the nine months ended September 30, 2022 have been prepared by Management and were authorized for issue in accordance with a resolution of the Board of Directors on November 9, 2022. Wi2Wi Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements, in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entities auditors.

3. Capital Management

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements. There have been no changes in the Company's definition of capital or capital management objectives during the nine months ended September 30, 2022 and 2021.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

4. Significant Accounting Policies

Restricted Cash

As part of the collateral for a credit facility discussed in Note 22, the Company was required to deposit \$500 in a restricted account with the bank to repay any borrowings under the Facility. The cash collateral will be returned to the Company once certain financial covenants are met for the \$500 revolving facility, or when the facility terminates in May 2023. The cash in the restricted account is interest bearing.

Inventories

Inventories are recorded at the lower of cost (first in first out method) or net realizable value. Cost is determined on a first in first out basis and includes all costs of purchase, costs of conversion (direct costs and an allocation of fixed and variable production overheads) and other costs incurred in bringing the inventory to their present location and condition. Net realizable value is the estimated selling price less estimated costs to complete. As a supplier of system in package and modular products, inventory cost consists of amounts paid to the Company's contract manufacturers for product that is drop shipped to customers or shipped to the Company.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation, amortization and impairment losses. Depreciation and amortization are computed using the straight line method over estimated useful lives of:

- Three years for computer equipment and software;
- Five years for furniture and fixtures;
- Five to ten years for machinery and equipment;
- Over the term of lease or estimated useful life of leaseholds, whichever is shorter.

Useful lives, residual values, and depreciation and amortization methods are reviewed at least annually, and any changes in previous estimates are accounted for prospectively.

Impairment of Non-Financial Assets

Wi2Wi Corporation

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Non-financial assets to be held and used by the Company are reviewed for possible impairment annually, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, the Company must estimate the difference between the carrying amount of the asset and the recoverable amount. If the carrying amount exceeds the recoverable amount, the difference is recognized as an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Impairment charges can be subsequently reversed if they no longer exist but cannot exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized in the prior years. No impairment charges have been recorded for any of the periods presented.

Financial Instruments

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated statement of financial position when the Company becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories i) those to be measured subsequently at fair value through profit or loss (FVTPL); ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and iii) those to be measured at amortized cost, using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period.. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as measured at amortized cost unless they are designated as measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to the Company's own credit risk are recorded in other comprehensive income.

Expected Credit Losses and Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Wi2Wi Corporation

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

For trade accounts receivable, the Company applies the simplified approach as permitted by IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date. Trade accounts receivable are stated net of the loss allowance.

Evidence of impairment may include indications that the counterparty debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Receivables are reviewed qualitatively on a case-by-case basis and management's estimates include providing for 100% of specific customer balances when it is deemed probable that the balance is uncollectable.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including aging and turnover, credit worthiness, credit concentration, the existence of third-party insurance, customer relationships, and forward looking macro-economic factors in the measurement of the expected credit losses associated with trade accounts receivable.

The Company measures expected credit losses by considering the risk of default over the contract period and incorporates forward-looking information into its measurement. Recoveries of trade accounts receivable previously written off are recorded in profit or loss when received.

The Company's financial instruments are accounted for as follows:

	Classification	Measurement
Cash and restricted cash	Amortized cost	Amortized cost
Trade accounts receivable	Amortized cost	Amortized cost
Investment in Legend Oil and Gas Ltd,	FVTPL	Fair value
Accounts payable	Amortized cost	Amortized cost
Accrued liabilities	Amortized cost	Amortized cost
Warrant liability	FVTPL	Fair value
Note Payable	Amortized cost	Amortized cost
Economic Injury Disaster Loan	Amortized cost	Amortized cost

Income Taxes

The Company applies the asset and liability approach to recording current and deferred taxes. Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable income is probable. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enacted or substantively enacted date.

Management periodically reviews the Company's provision for income taxes and deferred tax assets and liabilities to determine whether the overall tax estimates are reasonable. When management performs its assessments, it may be determined that an adjustment is required. These adjustments, if required, may have a material impact on the Company's consolidated financial position and profit or loss.

Wi2Wi Corporation

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Foreign Currency

The Company's presentation currency is the USD, being the currency in which revenue is generated and significant business activities are conducted. The functional currency of each of Wi2Wi Inc. and Wi2Wi LLC, is their local currency of USD. The functional currency of Wi2Wi (India) PRIVATE LIMITED is its local currency of Rupees. The functional currency of Wi2Wi Corporation is its local currency of Canadian dollars.

Foreign currency translation, transactions in other than the functional currency

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. As at a reporting date, assets and liabilities denominated in a foreign currency are translated into the functional currency, as follows:

- Foreign currency monetary items are translated using the spot exchange rate in effect at the reporting date; and
- Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate(s) in effect as at the date(s) on which fair value was determined.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation as at a reporting date of assets and liabilities denominated in foreign currencies are reflected in profit or loss. There were no significant gains or losses arising from transactions denominated in currencies other than the functional currency for the nine months ended September 30, 2022 and 2021.

Foreign currency translation, non-USD functional currency entities

For the preparation of these consolidated financial statements, all assets and liabilities are translated into the presentation currency of U.S. dollars ("USD") using the foreign exchange rate in effect as at the reporting date with revenue and expenses translated using the average exchange rate for the reporting or applicable period. Translation adjustments arising from changes in exchange rates are reported as a component of other comprehensive income and form part of the cumulative translation account in shareholders' equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation account related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for promised goods or services, net of expected returns. The Company sells product directly to end customers as well as through distributors. The Company's performance obligations are satisfied at a point in time.

The Company generally has one performance obligation in its arrangements involving the sale of frequency control and connectivity products. When the terms of a contract include the transfer of multiple products, each distinct product is identified as a separate performance obligation. Generally, satisfaction occurs when control of the promised goods is transferred to the customer in exchange for consideration in an amount for which the Company expects to be entitled. Generally, control is transferred when legal title of the asset moves from the Company to the customer. The Company sells products to a customer based on a purchase order, and the shipping terms per each individual order are primarily used to satisfy the single performance obligation. However, in order to determine control has transferred to the customer, the Company also considers:

- when the Company has a present right to payment for the goods;
- when the Company has transferred physical possession of the goods to the customer;
- when the customer has the significant risks and rewards of ownership of the goods;
- when the customer has accepted the goods.

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Disaggregated Revenue

Revenue from contracts with customers is disaggregated by product family and geographical areas as it best depicts how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors. See details in the table below.

For the nine months ended September 30,	2022	2021
Product Family		
Frequency Control	\$ 5,121	\$ 4,692
Connectivity	52	91
	\$ 5,173	\$ 4,783

For the nine months ended September 30,	2022	2021
Geographical Area		
United States	\$ 4,355	\$ 4,165
Foreign Countries	818	618
	\$ 5,173	\$ 4,783

Product Warranty

The Company offers a standard one-year product replacement warranty on its connectivity solutions. The Company assesses the level and materiality of return authorizations and determines the estimated returns for defective products at the time revenue is recognized. On occasion, management may determine to accept product returns beyond the standard one-year warranty period. In those instances, the Company accrues for the estimated cost at the time the decision to accept the return is made. As a consequence of the Company's standardized manufacturing processes and product testing procedures, returns of defective product are infrequent and the quantities have not been significant. Accordingly, historical warranty costs have not been material. Actual claim costs may differ from management's estimates. There was no accrual for warranty costs at September 30, 2022 or 2021.

Research and Development

Research costs are expensed and development costs are capitalized as an asset if certain criteria are satisfied. The development costs incurred in the nine months ended September 30, 2022 and 2021, respectively, did not satisfy the criteria and therefore were expensed.

Share-Based Payments

The Company has a stock option plan and issues stock options to directors, employees and other service providers. The fair value of options granted to employees, including directors, is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period, based on the best available estimate of the number of stock options expected to vest. Estimates are subsequently revised, if there is any indication that the number of stock options expected to vest differs from previous estimates. All share-based compensation is recognized as an expense in profit or loss with a corresponding credit to reserves. Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs and the amount originally credited to reserves are allocated to common shares. Where equity instruments are granted to persons other than employees, profit or loss is charged with the fair value of goods and services received. When the

Wi2Wi Corporation

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

value of the goods or services cannot be specifically identified, they are measured at the fair value of the equity instrument granted.

The Company has a Restricted Share Unit Plan which was established as a method by which equity-based incentives may be awarded to the directors, officers and employees of, and consultants to, the Company to recognize and reward their significant contributions to the long-term success of the Company and to align their interests more closely with the shareholders of the Company. Restricted Share Units ("RSUs") may be settled in common shares, or a combination of common shares at the option of Company.

The fair value of the RSUs are measured at fair value at the date of grant and are expensed as compensation costs over the vesting period with a corresponding increase in reserves. Fair value is determined as the average of the highest and lowest selling price of the Company's common shares on the day the RSUs are issued. Upon vesting of the RSUs the amount originally credited to reserves is allocated to common shares.

Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share is equivalent to basic loss per share, as the effect of including those dilutive instruments would be anti-dilutive.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right of use asset

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use assets are subsequently amortized from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term using the straight line method.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following payments during the lease term: fixed payments (including in-substance fixed payments), and the exercise price under a purchase option that the Company is reasonably certain to exercise.

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

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 and/or lease term arising mainly if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option, or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company used the following practical expedients permitted by the standard:

-the election not to recognize leases for which the underlying asset is of low value, or for short term leases, less than 12 months

Investment tax credits and government grants

Government grants include COVID-19 wage subsidies and the benefits of government loans at below market rates of interest. Government assistance and COVID-19 grants are recognized when receipt of the assistance is reasonably assured. Reasonable assurance is determined based on the Company's past experience with claims and collections, and that the Company will comply with the conditions attaching to the grant. Grants related to current expenses are recognized in profit or loss.

5. New Accounting Policies

New standards and interpretations adopted January 1, 2022:

No new standards were effective for annual periods beginning on or after January 1, 2022, that had a material impact on the Company's consolidated financial statements.

New standards and interpretations:

There are no new standards not yet adopted that are expected to have a material impact on the Company's consolidated financial statements.

6. Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions based on currently available information that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the statements of financial position and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results may differ from these estimates. Revisions to accounting estimates or judgments are recognized in the year in which they are revised and future periods if the revision affects both current and future years. Estimates and underlying assumptions and judgments are reviewed on an ongoing basis, the Company has not identified any significant estimates. Significant judgments and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Significant judgments in applying accounting policies

Inventories

Inventories are recorded at the lower of average cost (first in first out method) or net realizable value. Charges for excess and obsolete inventory are recorded based on inventory age, shipment history and forecasted demand. The Company's business is subject to technology changes which may cause selling prices to change rapidly. Moreover, the markets that the Company serves can be volatile and actual results may vary from the Company's forecast or other assumptions, potentially impacting the Company's inventory valuation and resulting in material effects on its profit or loss.

Useful Lives of Depreciable Assets

Management reviews the useful lives of property and equipment at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence. Details of the property and equipment useful lives are provided in Note 4.

7. Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest.

	September 30, 2022	December 31, 2021
Trade accounts receivable	\$ 1,472	\$ 1,316
Less provision for impairment of trade receivables	(8)	(8)
Trade receivables - net	\$ 1,464	\$ 1,308

8. Inventories

	September 30, 2022	December 31, 2021
Raw materials	\$ 1,420	\$ 1,529
WIP Inventory	195	205
Finished goods	1,102	1,022
Total	\$ 2,717	\$ 2,756

For the nine months ended September 30, 2022, inventories recognized as an expense in cost of revenues amounted to \$1,845 (2021- \$1,515). During the period, inventories were reviewed for obsolescence as part of ongoing operations. As at September 30, 2022, accumulated deficit includes write-downs against inventories totaled \$1,344 (2021 - \$1,269).

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

9. Property and Equipment

	Machinery and Equipment	Computer Equipment and Software	Furniture and Fixtures	Leaseholds	Total
Cost					
At December 31, 2020	\$ 2,637	\$ 235	\$ 89	\$ 203	\$ 3,164
Additions	35	16	-	-	51
At December 31, 2021	2,672	251	89	203	3,215
Additions	60	12	-	-	72
At September 30, 2022	\$ 2,732	\$ 263	\$ 89	\$ 203	\$ 3,287
Accumulated Depreciation					
Balance, December 31, 2020	\$ 1,499	\$ 205	\$ 88	\$ 118	\$ 1,910
Additions	229	13	-	35	277
Balance, December 31, 2021	1,728	218	88	153	2,187
Additions	169	9	-	17	195
At September 30, 2022	\$ 1,897	\$ 227	\$ 88	\$ 170	\$ 2,382
Net Carrying Amount					
At December 31, 2021	\$ 944	\$ 33	\$ 1	\$ 50	\$ 1,028
At September 30, 2022	\$ 835	\$ 36	\$ 1	\$ 33	\$ 905

Depreciation for the nine months ended September 30, 2022 of \$195 (2021 - \$208) was included in Cost of revenues \$183 (2021-\$186) and Selling, general and administrative \$12 (2021-\$22) expenses.

Substantially all long lived assets of the Company are located in one geographic location, the United States.

10. Right Of Use Assets

	Premises	Equipment	Total
Cost			
Recognized January 1, 2021	\$ 3,661	\$ 246	\$ 3,906
Additions	-	-	-
Deletions	-	-	-
At December 31, 2021	3,661	246	3,906
Additions	-	-	-
Deletions	-	-	-
At September 30, 2022	\$ 3,661	\$ 246	\$ 3,906
Accumulated Depreciation			
Recognized January 1 ,2021	\$ 329	\$ 85	\$ 413
Additions	505	40	545
Deletions	-	-	-
At December 31, 2021	834	125	959
Additions	370	30	400
Deletions	-	-	-
At September 30, 2022	\$ 1,204	\$ 155	\$ 1,359
Net Carrying Amount			
At December 31, 2021	\$ 2,827	\$ 121	\$ 2,948
At September 30, 2022	\$ 2,456	\$ 91	\$ 2,547

Depreciation for the nine months ended September 30, 2022 of \$400 (2021 - \$410) was included in Cost of revenues \$268(2021-\$276), research and development \$39 (2021-\$39) and selling, general and administrative \$93 (2021-\$95) expenses.

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

11. Related Parties

There are not any related party financing activities in the current or prior fiscal year.

12. Accrued Liabilities

	September 30, 2022	December 31, 2021
Accrued compensation	\$ 256	\$ 242
Other accrued expenses	68	117
	\$ 324	\$ 359

13. Lease obligations

Lease obligations

Lease liability recognized at January 1, 2021	\$ 3,562
Leases entered into during the year	-
Lease payments	(621)
Interest expense on lease obligations	169
Lease obligations, December 31, 2021	3,110
Leases entered into during the year	-
Lease payments	(470)
Interest expense on lease obligations	113
Lease obligations at September 30, 2022	\$ 2,753

Maturity analysis of the contractual undiscounted cash flows for lease obligations

Less than one year (current portion)	\$ 467
One to five years	2,838
Over five years	159
Total undiscounted lease obligations	\$ 3,464
Lease obligations	\$ 2,401
Current portion of lease obligations	352
Lease obligations at September 30, 2022	\$ 2,753

14. Paycheck Protection Program Loan and Economic Injury Disaster Loan

In January 2021, the Company obtained a second Paycheck Protection Program Loan (PPP Loan) with the U.S. Small Business Administration in the amount of \$550 (April 2020 – first PPP Loan \$500). The Paycheck Protection Program (PPP) is a \$669 billion business loan program established by the 2020 US Federal Government Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to help certain businesses, self-employed workers, sole proprietors, certain nonprofit organizations, and tribal businesses continue paying their workers.

The PPP allows entities to apply for low-interest private loans to pay for their payroll and certain other costs. The amount of a PPP loan is approximately equal to 2.5 times the applicant's average monthly payroll costs. The loan

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

proceeds may be used to cover payroll costs, rent, interest, and utilities. The loan may be partially or fully forgiven if the business keeps its employee counts and employee wages stable. The PPP is implemented by the U.S. Small Business Administration. The PPP loan that the Company received was forgiven in full on August 25, 2021, (November 10, 2020 for first PPL Loan) and has been recognized as other income within profit or loss.

In January 2021 the Company also received an Economic Injury Disaster Loan (EIDL) in the amount of \$150. EIDL provides the necessary working capital to help small businesses impacted by a disaster survive until normal operations resume. This is provided by the U.S. Small Business Administration. Installment payments, including principal and interest, will begin thirty (30) months from the date of the promissory note. The balance of principal and interest will be payable thirty (30) years from the date of the promissory note. Interest will accrue at the rate of 3.75% per annum and will accrue only on funds actually advanced from the date(s) of each advance.

In January 2021, the Company qualified for the Employee Retention Credit (ERC). ERC for the year ended December 31, 2021 of \$526 was included in cost of revenues \$381, research and development \$49 and selling, general and administrative \$96 expenses within profit or loss.

The Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted December 27, 2020, made a number of changes to the employee retention tax credits previously made available under the CARES Act, including modifying and extending the ERC, for 2021.

As a result of the new legislation, eligible employers can now claim a refundable tax credit against the employer share of Social Security tax equal to 70% of the qualified wages they pay to employees after December 31, 2020, through September 30, 2021. Qualified wages are limited to \$10,000 per employee per calendar quarter in 2021. Thus, the maximum ERC amount available is \$7,000 per employee per calendar quarter.

15. Note Payable

During 2019, the Company obtained a note payable with a bank with an original principal amount of \$223. The note is payable in monthly installments of \$5 at an interest rate of 4.99% per annum. The note is secured by a piece of equipment financed through the note.

Balance December 31, 2020	\$	166
Payments made		(54)
Balance December 31, 2021		112
Payments made		(38)
Balance September 30, 2022	\$	74

Future minimum payments on the note payable for the years then ended are as follows:

September 30,		
2022	\$	18
2023		56
	\$	74

Wi2Wi Corporation

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

16. Legal Proceedings

Accrual for Legal Proceedings and Settlement

From time to time, third parties have asserted, and may in the future assert claims against the Company related to disputes in the normal course of business. At this time, there are no such claims against the Company which are expected to be material to the Company's profit or loss, or financial condition.

17. Share Capital

Common Shares The authorized capital stock of the Company consists of an unlimited number of common shares without par value. Holders of common shares are entitled to one vote for each share held on all matters submitted to a vote of shareholders.

Per Share Calculation

The basic and diluted loss per share has been calculated based on 152,933,313 weighted average shares outstanding, respectively, for the nine months year ended September 30, 2022. The basic and diluted income per share has been calculated based on 152,933,313 weighted average shares outstanding for the year ended September 30, 2021.

18. Share-Based Payments and Warrants

Stock Option Plan

At September 30, 2022, the Company had only one stock option plan, the Wi2Wi Corporation Stock Option Plan (the Plan). The number of common shares reserved for issuance may not exceed 16,096,084 common shares from time to time. Options are granted at an exercise price not less than the Discounted Market Price (as defined) of the Company's shares at the date of grant. Options granted to employees, directors, officers and certain consultants have an expiration date that is up to 10 years from the grant date, generally vest over periods of up to 48 months as determined by the Board of Directors.

The following table summarizes the stock options:

	Options	Weighted Average Exercise Price
Options outstanding at December 31, 2020	4,496,979	\$ 0.09
Options expired	(5,479)	0.46
Options expired ¹	(1,850,000)	0.14
Options granted	-	0.15
Options outstanding at December 31, 2021	2,641,500	0.06
Options expired ²	(61,500)	0.14
Options granted	-	-
Options outstanding at September 30, 2022	2,580,000	\$ 0.05

1. Certain of these stock options, issued in Canadian dollars, were converted to US\$ at the December 31, 2021 exchange rate of 1.27.

2. Certain of these stock options, issued in Canadian dollars, were converted to US\$ at the March 31, 2022 exchange rate of 1.25.

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

The following table summarizes stock options outstanding and exercisable as of September 30, 2022:

Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Life	Options Exercisable
0.12 ¹	280,000	.23	280,000
0.03 ²	1,300,000	5.15	1,300,000
0.05 ³	1,000,000	3.75	1,000,000
	2,580,000	4.07	2,580,000

1. These stock options have an exercise price of CAD \$0.17 and have been converted to US\$ at the September 30, 2022 exchange rate of 1.38 for disclosure purposes here.

2. These stock options have an exercise price of CAD \$0.045 and have been converted to US\$ at the September 30, 2022 exchange rate of 1.38 for disclosure purposes here.

3. These stock options have an exercise price of CAD \$0.075 and have been converted to US\$ at the September 30, 2022 exchange rate of 1.38 for disclosure purposes here.

The fair value of each employee option is estimated on the date of grant using the Black-Scholes option pricing model and expensed using the graded vesting method over the related service period. The Company estimates its expected stock price volatility using historical trading activity over a period equal to the expected term of options granted. The Company estimates the expected term of options granted as being the time from grant to vest plus the midpoint of the time from vest to option expiration. The risk-free interest rate for periods within the contractual life of the option is based on U.S. Treasury zero-coupon rates for the expected term of the option.

At grant date the Company used the following assumptions related to the stock price (Canadian \$0.045), exercise price (Canadian \$0.045) expected life (3.75 years), annual volatility (105%), and risk free interest rate (.25%), forfeiture rate (0.00%) and expected dividend rate (0.00%) to calculate the fair value of Canadian \$0.03 per option. Stock based compensation of \$31 was recognized in profit or loss.

Restricted Share Units (RSU's)

At September 30, 2022, the Company had the Wi2Wi Corporation Restricted Share Unit Plan, administered by the Board of Directors. The maximum number of Common shares which may be awarded is 5,000,000 and shall not, in combination with the Stock Option Plan exceed 20% of the issued and outstanding common shares. RSU's granted to employees, directors, officers and certain consultants vest as determined by the Board of Directors.

The following table summarizes the RSU's issued by the Company:

	RSU's	Weighted Average Grant Date Fair Value
RSU's outstanding at December 31, 2020	571,964	\$ 0.11
RSU's forfeited	(326,670)	(0.11)
RSU's vested	(245,294)	0.11
RSU's outstanding at December 31, 2021	-	-
RSU's vested	-	-
RSU's outstanding at September 30, 2022	-	\$ -

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

RSUs are measured at fair value at the date of grant and are expensed over the vesting period with a corresponding increase in reserves. Fair value of an RSU is determined as the average of the highest and lowest selling price of the Company's stock on the RSU grant date. At the vesting date accumulated compensation from the current and prior year of \$0 (2021 - \$0) was transferred from reserves to common shares.

Share-based compensation expense related to stock options and RSU's is charged to selling, general and administrative, as follows:

September 30,	2022	2021
Selling, general and administrative	\$ -	\$ 20
	\$ -	\$ 20

Warrants

The following table summarizes the warrants issued by the Company as of September 30, 2022:

	Warrants	Weighted Average Exercise Price
Warrants outstanding at December 31, 2020	12,274,674	\$ 0.09
Warrants outstanding at December 31, 2021	12,274,674	0.09
Warrants outstanding at September 30, 2022	-	\$ 0.00

In April 2017, the Company issued 12,499,674 warrants, with an exercise price of Canadian \$0.11 (\$0.09), in connection with a private placement. The warrants are fully vested. The warrants include a feature in which the exercise price would be adjusted in the event of a down round financing and the warrants are therefore accounted for as liabilities. The Company determined the warrants had a fair value of Canadian \$451 (\$337), which is a fair value of Canadian \$0.04 (USD\$0.03) per warrant, at the issuance date and has revalued the warrant liability to fair value at each reporting period thereafter. The warrant liability fair value is Canadian \$0 (\$0) at September 30, 2022 and Canadian \$0 (\$0) at December 31, 2021. The warrants expired on March 3, 2022 and were not exercised.

The Company uses the Black-Scholes option pricing model, to determine the fair value of the warrants. At December 31, 2020 the Company used assumptions related to the stock price (Canadian \$0.045), time to expiration (1.25 years), volatility (53.6%), and risk free interest rate (.2%), as well as considerations regarding any future events that may trigger the warrant exercise price adjustment. At December 31, 2021 the Company used assumptions related to the stock price (Canadian \$0.045), time to expiration (.25 years), volatility (54.3%), and risk free interest rate (0.91%), as well as considerations regarding any future events that may trigger the warrant exercise price adjustment.

The change in warrant liability fair value for the year ended December 31, 2021 of Canadian \$9 (-\$7) (2020 – Canadian \$96 (\$76) is recorded as warrant liability revaluation in profit or loss.

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

19. Expenses by Nature

	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	2022	2021
Research and Development				
Compensation	\$ 78	\$ 79	\$ 237	\$ 238
Employee Retention Credit (Note 14)	-	(25)	-	(49)
Other costs	16	15	48	44
Total research and development	\$ 94	\$ 69	\$ 285	\$ 233
Selling, General and Administrative Expenses				
Compensation	\$ 229	\$ 208	\$ 637	\$ 613
Business Insurance	22	24	65	73
Depreciation and amortization	32	39	107	117
Facility related expenses	15	16	43	49
Audit and tax	33	28	81	80
Professional and consulting services	45	20	96	79
Software costs	17	17	52	49
Employee Retention Credit (Note 14)	-	(50)	-	(96)
Other costs	46	23	170	116
Total selling, general and administrative	\$ 439	\$ 325	\$ 1,251	\$ 1,080

20. Financial Instrument Risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company does not believe it has significant liquidity risk. As of December 31, 2021, the Company had working capital of \$5,384 and reported cash inflows from operations.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises on cash and restricted cash, and trade accounts receivable. The Company believes it has no significant credit risk with respect to cash and restricted cash balances which are maintained with national banks. The maximum exposure is equal to the carrying amount of cash, restricted cash and trade accounts receivable.

Wi2Wi Corporation
Notes to Unaudited Condensed Consolidated Interim Financial Statements
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

The Company had significant exposure to several customers as of September 30, 2022 and December 31, 2021 as follows:

Customer	September 30, 2022		December 31, 2021	
	Revenue %	Trade Accounts Receivable %	Revenue %	Trade Accounts Receivable %
A	21%	29%	23%	41%
B	10%	11%	5%	.2%
C	8%	2%	7%	.5%

The Company has \$194 and \$205 in outstanding receivables over 90 days at September 30, 2022 and December 31, 2021, respectively.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises Nine types of risk: currency risk, interest rate risk and other price risk. The Company believes it has no significant market risk.

Interest rate risk

Interest rate risk is the that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and restricted cash balances. The interest earned approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates as it does not have any debt bearing interest at floating rates.

Foreign currency risk

The Company is exposed to minimal foreign currency risk due to the infrequency of transactions in currencies other than the US dollar. The Company does not use derivatives to hedge against this risk. At September 30, 2022 the Company had accounts payable and accrued liabilities denominated in foreign currencies of CDN \$4 (2021- CDN \$2).

Price risk

The Company is not exposed to material price risk with respect to commodity or equity prices, other than the warrant liability (note 18).

21. Fair Value of Financial Assets and Liabilities

The Company's financial instruments at September 30, 2022 include cash, restricted cash, trade accounts receivable, Investment in Legend Oil and Gas Ltd., accounts payable, accrued liabilities, note payable, Economic Injury Disaster Loan, and warrant liability. The carrying amounts of cash, restricted cash, trade accounts receivable and accounts payable approximate their fair value amounts due to the relatively short periods to maturity of these items or because they are receivable or payable on demand. The fair value of the note payable approximates carrying value as it bears a market rate of interest, and fair value of the Economic Injury Disaster Loan approximates carrying value as the interest rate approximates market rates. The investment in Legend Oil and Gas Ltd., and the warrant liability are measured at fair value.

When applicable, the Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Wi2Wi Corporation

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The investment in Legend Oil and Gas Ltd. is a level 1 valuation, the fair value of the warrant liability has been determined using a level 3 technique, since recognition. There were no transfers into or out of level 3.

22. Credit Facility

On March 18, 2016 the Company entered into a \$ 2 million revolving credit facility ("Facility") with Wells Fargo Bank, National Association ("Wells Fargo"). Under the agreement, the Company is required to deposit \$500 with Wells Fargo to serve as collateral for the Facility, and that \$500 is presented as restricted cash on the consolidated statement of financial position. Borrowings up to \$500 are available until the Company meets two financial covenants (defined below), fully collateralized by the deposit. Once the financial covenants are met and the Company chooses to use the revolving credit facility, the collateral of \$500 will be returned to the Company. From that point, borrowings are limited based on a percentage of trade accounts receivable and inventories. The financial covenants have been suspended at September 30, 2022, but the Company has chosen not to use the \$500 revolving credit facility at this time.

The restricted cash of \$500 is shown as a separate line item on the consolidated statement of financial position.

Under the Credit Agreement interest is computed on the basis of a 360-day year, actual days elapsed at a fluctuating rate per annum determined by Bank to be two and eighty six hundredths percent (2.86%) above Daily Simple SOFR in effect from time to time. The Company has granted a security interest to Wells Fargo on all the property of the Company. Interest only payments are due monthly with the principal due at maturity on May 31, 2023.

There have been no borrowings as of September 30, 2022 and 2021.

23. Key Management Personnel Compensation

The remuneration of key management personnel of the Corporation, includes both members of the Board of Directors and leadership team, which includes the CEO and CFO, is set out below in aggregate:

For years ended September 30,	2022	2021
Officer compensation	\$ 220	\$ 179
Share-based compensation	-	-
Benefits and other personnel costs	48	35
Share-based compensation current directors	-	15
Travel expenses current directors	2	-
	\$ 270	\$ 229