Condensed Interim Financial Statements of

LABRADOR TECHNOLOGIES INC.

Three and six-month periods ended April 30, 2022 and 2021

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of Labrador Technologies Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

LABRADOR TECHNOLOGIES INC.

Condensed Interim Statements of Financial Position

(Unaudited)
(expressed in Canadian dollars)

As at	April 30, 2022		October 31, 2021	
ASSETS				
Current Assets				
Cash	$	20,786	$	151
Prepaid Assets (notes 3 & 6(a))		25,000		-
Total Assets	$	45,786	$	151
Liabilities and Shareholders' Deficit				
Current liabilities				
Trade Payables and Accrued Liabilities (note 5)	$	309,271	$	289,546
Loans Payable (note 6)		63,782		63,338
Total current liabilities		373,053		352,884
Long-term Debt (notes 3 & 6(a))		50,000		-
Total Liabilities		423,053		352,884
Shareholders' Deficit				
Common Shares (note 7(a)(b))	$	11,884,038	$	11,854,038
Contributed Surplus		3,780,873		3,780,873
Deficit		(16,042,178)		(15,987,644)
Total Shareholder's Deficit		(377,267)		(352,733)
Total Liabilities and Shareholders' Deficit	$	45,786	$	151

Going concern (note 3)
See accompanying notes to the Condensed Interim Financial Statements

Approved by the Board of Directors

“ Signed ”
George Wilson
Director

“ Signed ”
Jeffrey Howe
Director

LABRADOR TECHNOLOGIES INC.

Condensed Interim Statements of Operations and Comprehensive Loss

(Unaudited)
(expressed in Canadian dollars)

	Three months ended		Six months ended	
	April 30, 2022	**April 30, 2021**	**April 30, 2022**	**April 30, 2021**
	$	**$**	**$**	**$**
Expenses				
General & Administrative	8,042	21,034	53,486	68,596
Total expenses	**8,042**	**21,034**	**53,486**	**68,596**
Operating Loss	(8,402)	(21,034)	(53,486)	(68,596)
Finance Costs (note 6(a))	(504)	(7,499)	(1,019)	(15,258)
Net Loss & Comprehensive Loss	**(8,545)**	**(28,533)**	**(54,504)**	**(83,854)**
Loss per share				
Basic & diluted (note 7 (f))	**(0.00)**	**(0.00)**	**(0.00)**	**(0.01)**

See accompanying notes to the Condensed Interim Financial Statements

LABRADOR TECHNOLOGIES INC.

Condensed Interim Statements of Changes in Deficit

(Unaudited)
(expressed in Canadian dollars)

	Capital	Warrants	Contributed Surplus	Deficit	Total
	$	$	$	$	$
Balance at October 30, 2021	**11,854,038**	**-**	**3,780,873**	**(15,987,644)**	**(402,331)**
Common shares issued, net	30,000	-	-	-	30,000
Net loss and comprehensive loss	-	-	-	(54,534)	(54,534)
Balance at April 30, 2022	**11,884,038**	**-**	**3,780,873**	**(16,042,178)**	**(377,267)**
Balance at October 30, 2020	**11,696,655**	**33,519**	**3,747,355**	**(15,879,859)**	**(402,330)**
Options and warrants (note 7 (c)(d))		(18,167)	18,167	-	-
Net loss and comprehensive loss	-	-	-	(83,854)	(83,854)
Balance at April 30, 2021	**11,696,655**	**15,352**	**3,765,522**	**(15,963,713)**	**(486,184)**

See accompanying notes to the Condensed Interim Financial Statement

LABRADOR TECHNOLOGIES INC.

Condensed Interim Statements of Cash Flows

(Unaudited)
(expressed in Canadian dollars)

	Three months ended		Six months ended	
	April 30, 2022	April 30, 2021	April 30, 2022	April 30, 2021
	$	$	$	$
Cash flows used in operating activities				
Net Income (Loss)	(8,545)	(28,533)	(54,504)	(83,854)
Adjustments for:				
Finance costs	504	7,499	1,019	15,258
	(8,041)	**(21,034)**	**(53,485)**	**(68,596)**
Changes in non-cash working capital				
Trade payable and accrued liabilities	(27,351)	12,935	19,120	44,507
Net cash used in operating activities	**(35,392)**	**(8,100)**	**(46,238)**	**(24,090)**
Cash flows from investing activities				
Security deposit for exploration and evaluation assets (notes 3 & 6(a))	(25,000)	-	(25,000)	-
Net cash provided by investing activities	**(25,000)**	**-**	**(25,000)**	**-**
Cash flows from financing activities				
Proceeds from issue of common shares (note 7)	-	-	30,000	-
Proceeds from loan advances (notes 6(a) & 8)	-	2,047	-	2,047
Proceeds from long-term debt (notes 3& 6(c))	50,000	-	50,000	-
Net cash provided by financing activities	**50,000**	**2,047**	**91,873**	**2,047**
Decrease in cash	(10,392)	(6,053)	20,635	(22,042)
Cash, beginning of period	31,178	6,547	151	22,536
Cash, end of period	**20,786**	**494**	**20,786**	**494**

See accompanying notes to the Condensed Interim Financial Statements

1. Reporting entity:

Labrador Technologies Inc. ("LTI" or the "Company") is a company domiciled in Alberta, Canada and is incorporated pursuant to the Business Corporations Act (Alberta), with its common shares listed on the TSX Venture Exchange under the symbol "LTX". The address of LTI's registered office is 3400-350 7th Ave SW, Calgary, Alberta, Canada T2P 3N9.

The Company is conducting activities to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising an option or by any concomitant transaction.

2. Basis of preparation:

a) *Statement of compliance:*

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended October 31, 2020.

The condensed interim financial statements were authorized for issue by the Board of Directors on June 28, 2022.

b) *Basis of measurement:*

The condensed interim financial statements have been prepared on the historical cost basis.

c) *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, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, costs and expenses for the period. Estimates and underlying assumptions are based on historical experience and other assumptions that are considered reasonable in the circumstances and are reviewed on an ongoing basis. Actual results may differ from such estimates and it is possible that the differences could be material. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. No significant changes in judgement and estimates in the since 2021 year-end or during the reporting period.

3. Going concern:

These financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplates, that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

The Company is currently conducting activities to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising an option or by any concomitant transaction. These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. Management is aware of material uncertainties that could cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2022, the Company has negative working capital of $352,267 (October 31, 2021 - $352,733)

The Company entered into a purchase and sale agreement (the "Agreement") with Kasten Energy Inc. (the "Vendor") dated April 6, 2022 pertaining to the proposed acquisition of a 51% working interest in certain oil and gas properties in Alberta (the "Acquisition").

The Agreement contemplates that the Acquisition will be completed pursuant to additional transactional documents in "standard industry form" that will incorporate the terms of the Agreement and are to be completed by an outside date of August 31, 2022.

The Agreement contains the following provisions:
1) the purchase price shall be $782,000;
2) the effective date of the Acquisition shall be March 31, 2022;
3) a deposit of $25,000 shall be payable contemporaneously with signing of the Agreement and a

(expressed in Canadian dollars)

further deposit of $175,000 shall be payable upon the approval of the TSXV (collectively, the "Security Deposit"); and

4) the balance of the Purchase Price, being $582,000, will be paid to the Vendor at closing in the following manner:
    a) the Vendor will be issued 7,000,000 common shares of the Company at a price of $0.05 per common share for total consideration of $350,000; and
    b) the Vendor will be issued a promissory note, secured by a general security agreement in the amount of $232,000.

A promissory note will be repayable two (2) years after the date of issue and shall bear interest at a rate of seven percent (7%) per annum. In connection with the Acquisition, the Company intends to complete a private placement of common shares at a price of $0.05 per common share for gross proceeds of up to $200,000; and a private placement of common shares at a price of $0.05 per common share for minimum gross proceeds of $200,000 and maximum gross proceeds of $5,000,000.

On April 4, 2022, the Company entered a commitment letter regarding a two-year credit facility (the "Credit Facility") in the amount of $500,000.

Management believes the going concern assumption is still appropriate for these financial statements but is dependent upon the successful raising of sufficient capital in the future as required, achieving and sustaining profitable operations, as well as the continued support from related parties and trade and other creditors. There can be no assurance that the steps management is taking will be successful. This assumption is reviewed on an ongoing basis by management and the Board of Directors. If the going concern assumption were not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the classifications used in the statement of financial position.

4. Summary of significant accounting policies:

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in the most recently completed audited financial statements for the year ended October 31, 2021. These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's October 31, 2021 audited annual financial statements and notes thereto.

5. Trade Payables and Accrued Liabilities:

As at	April 30, 2022 ($)	October 31, 2021 ($)
Trade Payables	195,154	164,165
Employee salaries, commissions, fees and benefits payable	55,000	34,000
Accrued interest	41,485	40,189
Other accrued liabilities and other payables	17,632	51,191
	309,271	289,545

6. Loans Payable:

a) Transactions:

At April 30, 2022, loans were $63,782 and interest expense of $1,019 on the outstanding loans was recognized.

On April 6, pursuant to the Agreement (note 3) the Company provided a Security Deposit of $25,000 to the Vendor.

b) Key Management Personnel Compensation

The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

In addition to their salaries and director fees, as applicable, directors and executive officers, along with certain employees of the Company, also participate in the Company's stock option plan (note 7). Compensation expenses incurred with respect to key management personnel were as follows:

(expressed in Canadian dollars)

	Three months ended		Six months ended	
	April 30, 2022	**April 30, 2021**	**April 30, 2022**	**April 30, 2021**
	($)	**($)**	**($)**	**($)**
Consulting fees	10,500	10,500	21,000	27,000
Total Compensation	**10,500**	**10,500**	**21,000**	**27,000**

c) Credit Facility

On April 4, 2022, the Company entered a commitment letter regarding a two-year credit facility of $500,000 and bears an interest rate of 7% per annum. Security registered as a first charge against the Company subordinated only to the security being granted to the Vendor in respect of the Acquisition.

As at April 30, 2022, the Company had $50,000 outstanding pursuant to the Credit Facility (note 3).

7. Share Capital:

a) Authorized:

Unlimited preferred shares, series A and B, none of which were issued as of April 30, 2022, and unlimited common shares.

b) Common shares issued:

	April 30, 2022		October 31, 2021	
	Number of Shares	**Amount ($)**	**Number of Shares**	**Amount ($)**
Balance, beginning	10,472,150	11,854,038	8,898,318	11,696,655
Common share issued, net	3,000,000	30,000	1,573,832	157,383
Balance, ending	**13,427,150**	**11,884,038**	10,472,150	11,854,038

c) On November 26, 2021, the Company completed an arm's length private placement for gross proceeds of $30,000 from treasury at a price of $0.01 per common share.

d) Stock option plan:

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange's requirements, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

		April 30, 2022		**October 31, 2021**
	Number of Options	Weighted Average Price	Number of Options	Weighted Average Price
Balance	-	$ -	-	$ -
Granted	-	$ -	-	$ -
Cancelled/Expired	-	$ -	-	-
Balance	**-**	**-**	-	-
Exercisable	**-**	**-**	-	$ -

e) Warrants:

		April 30, 2022		**October 30, 2021**
	Number of Warrants	Weighted Average Price	Number of Warrants	Weighted Average Price
Balance	-	-	882,025	$ 1.80
Granted	-	-	1,500,000	$ 0.10
Expired	-	-	(2,382,025)	$ (0.25)
Balance	**-**	**-**	-	$ -
Exercisable	**-**	**-**	-	$ -

f) Per share amounts:

The weighted average number of common shares outstanding during the six months ended April 30, 2022 was 13,041,211 (2021 – 9,919,555).

There was no dilutive effect of options and warrants for the six months ended April 30, 2022 as the exercise prices of the options and warrants are out of the money.

8. Capital Management:

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy to maximize the return to its shareholders. The capital structure of the Company consists of cash and shareholders' deficit. The Company does not have any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

The Company makes adjustments to its capital structure in light of general economic conditions and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business.

9. Financial Instruments and Financial Risk Management:

i) Determination of Fair Values

The following table analyzes recurring assets and liabilities measured at fair value in the statement of financial position. The different levels are defined as follows:

Level 1 - Determined by reference to quoted in active markets for identical financial assets and liabilities.

- The fair value of loans payable approximates their carrying value as they are payable on demand.
- The fair value of trade payables and accrued liabilities approximates their carrying value due to their short term to maturity.

Level 2 - Inputs to the valuations, other than quoted prices, are observable for the financial assets and liabilities, either directly or indirectly.

Level 3 - Inputs to the valuations are based on inputs that are not observable for the financial assets and obligations.

Overview

The Company is exposed to risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Company is exposed are described below.

a) *Interest rate risk:*

Interest rate risk is the risk that fair value of a financial instrument or its cash flows will fluctuate as a result of changes in interest rates. The Company maintains its short-term deposits in instruments that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations. The loans payable bear interest at a fixed rate of 12% and are due upon demand, thus the cash flows are not subject to interest rate risk.

b) *Liquidity risk:*

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Given that the Company continues to use cash in operations, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company on a timely basis. Refer to note 3 for details regarding the going concern assumption. At April 30, 2022, the Company had cash balances of $20,786 and a working capital deficiency of $352,267.

Corporate Information
For further information on Labrador Technologies Inc.,
Please visit SEDAR

Board of Directors
George A. Wilson*, Q.C., Toronto, Ontario
Jeffrey Howe*, Toronto, Ontario
Kaan Camlioglu*, Calgary, Alberta
*- members of the Audit Committee

Executives and Officers
Kaan Camlioglu, Interim Chief Executive Officer
Jeffrey Howe, Interim Chief Financial Officer

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Chartered Professional Accountants
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Stock Exchange
The TSX Venture Exchange Trading Symbol: LTX