

ESG GLOBAL IMPACT CAPITAL INC.

Condensed Interim Consolidated Financial Statements

Six Months Ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

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 the condensed interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

ESG GLOBAL IMPACT CAPITAL INC.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	February 28, 2022 \$	August 31, 2021 \$
Assets		
Current assets		
Cash	200,557	55,657
Investments (Note 3)	6,111,117	9,422,352
Taxes receivable	57,747	57,054
Loans and other receivable (Note 5)	283,810	275,387
Advances for investment (Note 6)	995,000	695,000
Prepaid expenses	46,590	46,590
	7,694,821	10,552,040
Investment in mineral properties (Note 4)	1	1
Total assets	7,694,822	10,552,041
Liabilities		
Current liabilities		
Bank indebtedness	-	72,488
Accounts payable and accrued liabilities	269,248	470,438
Notes payable (Note 7)	274,483	270,733
Due to related parties (Note 8)	108,780	48,780
	652,511	862,439
Non-current portion of notes payable (Note 7)	100,000	100,000
Total liabilities	752,511	962,439
Shareholders' equity		
Share capital (Note 9)	18,374,092	18,374,092
Share-based payment reserve	1,729,772	1,729,772
Preferred shares (Note 9)	6,388,000	6,388,000
Deficit	(19,549,553)	(16,902,262)
Shareholders' equity	6,942,311	9,589,602
Total liabilities and shareholders' equity	7,694,822	10,552,041

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 16)

Approved for issuance on behalf of the Board of Directors on April 29, 2022:

/s/ 'David Berg'
David Berg, Director

/s/ 'Christopher Cherry'
Christopher Cherry, Director

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

ESG GLOBAL IMPACT CAPITAL INC.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited - Expressed in Canadian dollars)

	Three months ended		Six months ended	
	February 28, 2022 \$	February 28, 2021 \$	February 28, 2022 \$	February 28, 2021 \$
Gain (Loss) on sale of investments	3,899	434,321	294,920	2,000,346
Gain on debt assignment (Note 7c)	—	—	—	—
Gain on debt settlement (Note 5a)	—	459,983	—	459,983
Interest revenue	4,211	8,871	8,423	19,317
Unrealized gain (loss) on investments	(1,689,884)	1,472,192	(2,872,605)	1,406,423
Total Gain (loss) *	(1,681,774)	2,375,367	(2,569,262)	3,886,069
Expenses				
Consulting fees (Note 8)	25,000	122,420	57,500	226,068
Filing fees	3,500	3,320	6,459	6,321
General and administrative	58	73	320	938
Professional fees (Note 8)	5,000	5,000	10,000	30,000
Total expenses	33,558	130,813	74,279	263,327
Gain before other income (expense)	(1,715,332)	2,244,554	(2,813,291)	3,622,742
Other income (expense)				
Impairment of investments (Note 4)	—	—	—	—
Interest expense	(1,875)	(4,513)	(3,750)	(8,240)
Write-down of accounts payable	—	—	—	—
Recapture (write-down) of loans (Note 5c,d)	—	350,000	—	350,000
Total other income (expense)	(1,875)	345,487	(3,750)	341,760
Net income (loss) and comprehensive income (loss) for the period	(1,717,207)	2,590,041	(2,647,291)	3,964,502
Earnings (loss) per share Basic (Note 9e)	(0.06)	0.08	(0.09)	0.13
Weighted average number of shares outstanding (Note 9e)	29,467,761	29,467,761	29,467,761	29,467,761

* Effective Q4 2021, the Company completed a review of the presentation of its statements of income (loss) and comprehensive income (loss) and it was determined that certain other income were more appropriately reflected as revenue to conform with the Company's stated business goal. Accordingly, comparative figure has been reclassified to conform with current year presentation.

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

ESG GLOBAL IMPACT CAPITAL INC.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Share subscriptions receivable	Preferred shares	Deficit	Total shareholders' equity
	Number of shares	Amount \$	\$	\$	\$	\$	\$
Balance, August 31, 2020	29,467,761	18,366,592	1,729,772	–	6,388,000	(15,603,376)	10,880,988
Net income for the period	–	–	–	–	–	3,964,482	3,964,482
Balance, February 28, 2021	29,467,761	18,366,592	1,729,772	–	6,388,000	(11,638,894)	14,845,470
Balance, August 31, 2021	29,517,761	18,374,092	1,729,772	–	6,388,000	(16,902,262)	9,589,602
Net income for the period	–	–	–	–	–	(2,647,291)	(2,647,291)
Balance, February 28, 2022	29,467,761	18,366,592	1,729,772	–	6,388,000	(19,549,553)	6,942,311

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

ESG GLOBAL IMPACT CAPITAL INC.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

For the six-month period ended February 28,	2022 \$	2021 \$
Operating activities		
Net income (loss) for the period	(2,647,291)	3,964,482
Items not involving cash:		
Adjustments to fair value of investments	2,872,605	(1,416,423)
Finance cost	3,750	8,240
Finance income	(8,423)	(19,317)
Gain (Loss) on sale of investments	(294,920)	(2,000,346)
Gain on debt settlement	—	(459,983)
Impairment of investments	—	—
Recapture of loan receivable	—	(350,000)
Share-based payments	—	—
Write-down of accounts payable	—	—
Changes in non-cash operating working capital:		
Amounts receivable	(693)	(8,246)
Prepaid expenses	—	—
Accounts payable and accrued liabilities	(201,190)	(40,602)
Due to related party	60,000	7,500
Net cash used in operating activities	(216,162)	(314,695)
Investing activities		
Acquisition of investments	(572,840)	(4,605,050)
Advances for investment	(300,000)	—
Advances for loans receivable	—	(600,000)
Debt settlement	—	459,983
Proceeds from loans payable	—	350,000
Proceeds from sale of investments	1,233,902	3,841,221
Net cash used in investing activities	361,062	(553,846)
Financing activities		
Bank indebtedness	—	(8,180)
Net cash provided by financing activities	—	(8,150)
Change in cash	144,900	(876,721)
Cash, beginning of period	55,657	932,982
Cash, end of period	200,557	56,261

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

ESG GLOBAL IMPACT CAPITAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

ESG Global Impact Capital Inc. (the "Company") was incorporated on February 10, 2010 pursuant to the Canada Business Corporations Act and was continued under the Business Corporations Act (British Columbia) on February 14, 2017. The Company completed its initial public offering ("IPO") on December 7, 2010, and is listed on the TSX-V under the symbol "ESGW". The registered office of the Company is Suite 1000, 925 West Georgia Street, Vancouver, BC V6C 3L2. On April 24, 2020, the Company changed its name from Block One Capital Inc. to ESG Global Impact Capital Inc. and the Company consolidated the issued and outstanding shares of the Company on a one new share for three old share basis resulting in an outstanding shares of 22,182,761. The share consolidation affects all issued and outstanding common shares, options and warrants. All information relating to basic and diluted earnings per share, issued and outstanding common shares, share options and warrants, and per share amounts in these consolidated financial statements have been adjusted retrospectively to reflect the share consolidation.

The Company's stated business goal is to build a portfolio of investments, with a view to participating in income and capital growth from the ultimate sale or other disposal of those investments.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended February 28, 2022, the Company used cash of \$216,162 for operating activities (2021 - \$314,695). As at February 30, 2022, the Company has an accumulated deficit of \$19,549,553 (2021 - \$16,902,262). The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that its current working capital is sufficient to meet the Company's liabilities and commitments as they become due.

These audited consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on April 29, 2022.

COVID-19

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. It is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. Significant Accounting Policies

(a) Statement of Compliance, Basis of Presentation and Principles of Consolidation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain investments in equity securities and certain assets, each of which are measured at fair value as determined at each reporting date. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's audited consolidated financial statements for the year ended August 31, 2021. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued as of the date the Board of Directors approved the financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended August 31, 2021.

ESG GLOBAL IMPACT CAPITAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

These consolidated financial statements include the financial statements of the Company and Soilgenic Nutrients Inc. a subsidiary wholly owned by the Company. All intercompany transactions have been eliminated in these consolidated financial statements. Subsidiary is fully consolidated from the date on which control is obtained by the Company and is subsequently deconsolidated from the consolidated financial statements on the date that control ceases.

(b) Use of Estimates and Judgments

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

Estimates

Collectability of loans and other receivable

The Company reviews the loans and other receivable balances on a regular basis and estimates the likelihood of collection and records allowance for estimated losses. Management bases its estimates on historical experience and other relevant factors.

Fair value of investment in private companies

The fair value of investments in private companies are not quoted in an active market may be determined by using third-party pricing information and are usually based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data to the extent practicable. Changes in assumptions about these factors could affect the reported fair value of the investments in private companies.

Fair value of investment in warrants

Management uses Black-Scholes option pricing model in measuring the fair value of investment in warrants, where active market quotes are not available. In applying the valuation technique, management is required to determine and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

Fair value of share-based payments

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options and warrants at the date of grant. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk-free interest rate. Changes in these assumptions can materially affect the fair value estimate.

Fair value measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Changes in estimates and assumptions about these inputs could affect the reported fair value.

Unrecognized deferred income tax assets

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences") and losses carried forward. The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Company. Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilization of the losses.

ESG GLOBAL IMPACT CAPITAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

Judgements

Judgments made by management include the factors used to assess whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. Management has concluded that the cash position of the Company is sufficient to finance continued operations for the twelve-month period subsequent to February 28, 2022.

The continuity of the Company's operations is dependent on the continued growth and building of its portfolio of investments. Should it be determined that the Company is no longer a going concern, adjustments which may be significant could be required to the carrying value of the assets and liabilities. These consolidated financial statements do not reflect any adjustments to the carrying value of the assets or liabilities or any impact on the consolidated statements of income (loss) and comprehensive income (loss), and consolidated statements of financial position classifications that would be necessary should the going concern assumption not be appropriate.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Financial Instruments

(i) Recognition and initial measurement

The Company's financial instruments consist of cash, loans and other receivable, investments, bank indebtedness, amounts due to related parties, accounts payable and accrued liabilities, and notes payable.

All other financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

ESG GLOBAL IMPACT CAPITAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

3. Investments

	Interest rate/ Exercise price	Maturity/ Expiry date	Issue currency	Face value/Number of shares/units	Cost \$	Fair value \$
Publicly listed companies:						
Common shares:						
Aduro Clean Technologies				418,606	128,026	297,210
AI/ML Innovations Inc.				874,500	208,207	122,430
Aneesh Cap Corp.				15,000	1,500	2,100
Arcpacific Resource Corp.				666	50	36
Auq Gold Mining Inc.				1,293,500	379,736	194,025
Bullion Gold Resources Corp.				31,500	4,093	1
Billy Goat Brands Ltd.				60,000	30,000	5,400
Columbus Energy Ltd.				400,000	28,000	42,000
Contact World Technologies Corp.				50,000	25,000	5,000
Cypress Hills Resource Corp.				200,000	69,153	56,000
District Mines Ltd.				6,263	25,050	1,566
East Africa Metals Inc.				1,010,000	198,190	262,600
Eat Well Investment Group Inc.				308,500	254,041	141,910
Element Nutritional Sciences Inc.				40,000	10,000	13,000
Erin Ventures Inc.				5,000,000	250,000	275,000
EV Nickel Inc.				70,400	52,800	11,616
First Energy Metals Limited				200,000	50,100	46,000
Givex Info Tech Grp				60,000	60,000	60,000
Graphano Energy				1,500,000	75,000	113,077
Gold Port Corporation				250,000	53,344	28,750
Icanic Brands Company Inc.				200,000	94,233	37,000
iMining Technologies Inc.				300,000	61,390	33,000
Izotropic Corporation				7,000	6,300	4,900
Jackpot Digital Inc.				250,000	45,000	23,750
King Global Ventures				10,245,333	327,182	409,813
Kore Mining Ltd.				50,000	47,500	19,500
Lightspeed Discoveries Inc.				84,000	5,555	4,200
Mantaro Silver Corp.				200,000	70,000	30,000
Nevada Silver Corporation				101,000	33,330	31,815
New Found Gold Corp.				9,000	76,500	77,850
Nexe Innovations Inc.				15,000	30,000	8,100
Numinus Wellness Inc.				40,000	27,200	27,200
Nurosene Health Inc.				65,000	176,705	44,200
Odd Burger Corporation				40,000	16,000	18,000
Organic Garage Ltd.				297,419	160,879	90,713
Planting Hope Company Inc.				150,000	60,000	162,000
Stallion Gold Corp.				724,997	124,402	239,249
Treatment.com International Inc.				50,000	30,000	25,000
True North Gems Inc.				750,000	56,250	71,250
Wonderfi Technologies Inc.				19,000	43,698	26,600
Vinery Capital Inc.				5,300,000	192,935	159,000
Yorkton Ventures Inc.				2,589,500	490,635	1,076,468
					4,077,984	4,297,329

ESG GLOBAL IMPACT CAPITAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

3. Investments (continued)

	Interest rate/ Exercise price	Maturity/ Expiry date	Issue currency	Face value/Number of shares/units	Cost \$	Fair value \$
Warrants:						
WT-Aduro Clean Technologies Inc.	0.50	04/02/2025	CAD	401,607	-	
WT-Allegiant Gold Ltd.	0.70	19/08/2023	CAD	125,000	-	
WT-Amwolf Capital Corp.	0.15	25/01/2023	CAD	100,000	-	
WT-Arcpac Resources Corp.	0.10	24/11/2022	CAD	333,333	-	
WT-Aurania Resources Ltd.	5.50	29/10/2022	CAD	15,000	-	
WT-Aurora Cannabis Inc.	11.36	16/03/2024	USD	5,000	-	
WT-Billy Goat Brands Ltd.	1.25	18/05/2023	CAD	60,000	-	
WT-Bitcoin Well Inc.	0.38	10/06/2023	CAD	300,000	-	
WT-Contakt World Technologies Corp.	1.30	23/11/2023	CAD	50,000	-	
WT-Else Nutrition Holdings Inc.	3.25	06/10/2022	CAD	45,000	-	
WT-Erin Ventures Inc.	0.08	16/12/2022	CAD	5,000,000	-	
WT-ESE Entertainment Inc.	1.95	19/07/2023	CAD	94,500	-	
WT-First Energy Metals.	0.50	11/26/2022	CAD	200,000	-	
WT-Graphano Energy Ltd.	0.05	27/08/2023	CAD	1,500,000	-	
WT-Idaho Champion Gold Mines Cana	0.45	30/07/2023	CAD	42,500	-	
WT-iMining Technologies Inc.	0.25	04/03/2023	CAD	100,000	-	
WT-Izotropic Corporation	1.50	09/12/2022	CAD	40,000	-	
WT-Jackpot Digital Inc.	0.27	10/03/2026	CAD	250,000	-	
WT-King Global Ventures Inc.	0.05	19/05/2022	CAD	6,000,000	-	
WT-Kore Mining Ltd.	1.35	18/06/2023	CAD	25,000	-	
WT-Mantaro Silver Corp.	0.55	21/05/2022	CAD	100,000	-	
WT-Mind Medicine Inc.	5.75	07/01/2024	CAD	15,000	-	
WT-Nexe Innovations Inc.	2.50	09/04/2023	CAD	7,500	-	
WT-Numinus Wellness Inc.	0.90	12/12/2022	CAD	20,000	-	
WT-Optimi Health Corp.	1.25	24/02/2023	CAD	80,000	-	
WT-ProMIS NeuroSciences, Inc.	0.20	16/11/2025	CAD	1,000,000	-	
WT-Sassy Resources Corp.	1.25	22/10/2022	CAD	50,000	-	
WT-True North Gems Inc.	0.10	29/01/2024	CAD	750,000	-	
WT-Vext Science, Inc.	0.45	02/11/2023	CAD	150,000	23,103	
WT-Vinergy Capital Inc.	0.06	21/12/2021	CAD	2,000,000	-	
WT-Vinergy Capital Inc.	0.05	23/05/2022	CAD	2,800,000	-	
WT-Vinergy Capital Inc.	0.25	14/04/2023	CAD	250,000	-	
WT-Volcanic Gold Mines Inc.	0.70	20/04/2022	CAD	50,000	-	
WT-Xander Resources Inc.	0.25	24/07/2022	CAD	75,000	-	
WT-Xander Resources Inc.	0.26	20/08/2022	CAD	66,000	-	
WT-Yorkton Ventures Inc.	0.10	23/07/2022	CAD	800,000	-	
					23,103	1,133,202
Private unlisted companies:						
Common shares:						
Golden Planet Mining Corp.				50,000	50,000	
Planet Based Foods Global Inc.				165,000	49,500	
Everyday People Financial Inc.				500,000	-	
Zaap Charge inc.				1,000,000	50,000	
					149,500	680,586
Total investments					4,250,587	6,111,117

ESG GLOBAL IMPACT CAPITAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

4. Investment in Mineral Properties

On August 31, 2020, the Company acquired Encanto Potash Corp.'s 22.96% interest of potash resources in Saskatchewan through the issuance of 730,000 Series B redeemable convertible preferred shares of the Company. The Company determined the acquisition was an asset acquisition and the fair value of the assets acquired amounted to \$6,388,000. During the year ended August 31, 2021 the investment in Encanto Potash was impaired down to \$1. Also see Note 9c.

5. Loans and Other Receivable

(a) During the year ended August 31, 2020, the Company loaned \$261,890 (USD \$200,000) to an unrelated publicly traded company. The loan is secured, bears interest at 6% per annum, and due on June 30, 2022 in either cash or common shares of the publicly traded company at the closing trading price on the date of conversion. As at February 28, 2022, the Company has accrued interest income of \$25,269 (2021 - \$16,846).

6. Advances for investment

During the period ended February 28, 2022, the Company advanced \$995,000 to an unrelated private company. The advanced fund will be used for subscription of common shares of the private company to be issued in the near future.

7. Notes Payable

- (a) As at February 28, 2022, the Company owed a note payable of \$75,000 (2020 - \$75,000) to a non-related party. The amount owing is unsecured, bears interest at 10% per annum, and is due on demand. As at February 28, 2022, the Company has accrued interest of \$39,482 (2021 - \$35,733).
- (b) During the year ended August 31, 2021, the Company entered into a debt assignment agreement by which the Company agreed to purchase \$2,000,000 of debt at face value of an unrelated publicly traded company for a cost of \$260,000. During the year ended August 31, 2021, the Company was able to collect \$799,982 of the outstanding debt and recognized \$539,983 as gain on debt assignment. As at February 28, 2022 the full balance of \$260,000 was still outstanding. The amount owing is unsecured and non-interest bearing. The \$10,000 was due upon execution of the debt assignment agreement. The remaining \$250,000 was due in intervals of 90 days following the execution of the debt assignment agreement, with final payment due June 30, 2023.

8. Related Party Transactions

- (a) During the period ended February 28, 2022, the Company incurred professional fees of \$15,000 (2021 - \$16,375) to a company controlled by the Chief Financial Officer ("CFO") of the Company. As at November 30, 2021 the Company had a payable of \$46,000 (2021 - \$31,000) to the company controlled by the CFO.
- (b) During the period ended February 28, 2022, the Company incurred professional fees of \$30,000 (2021 - \$45,000) to the Chief Executive Officer of the Company. As at February 28, 2022, the Company had \$47,780 (2021 - \$nil) payable to the CEO.
- (c) During the period ended February 28, 2022, the Company incurred consulting fees of \$5,000 (2021 - \$2,500) to a director of the Company.

ESG GLOBAL IMPACT CAPITAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

9. Share Capital

Authorized: Unlimited common shares without par value and 5,000,000 Series B redeemable convertible preferred shares with stated face value of \$10 per share.

- (a) On April 29, 2020 the Company closed of a private placement for 5,000,000 units at a price of \$0.07 per unit, for gross proceeds of \$350,000. Each unit is comprised of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at \$0.10 per common share for a period of 90 days from April 29, 2020 and, thereafter, at \$0.15 until 36 months from the date of closing. Securities issued pursuant to this financing are subject to trading restrictions until August 30, 2020. The company paid finders' fees to qualified finders of \$1,766 and issued 252,300 brokers' warrants. Each broker's warrant has a term of six months and may be exercised at \$0.30 per common share for a period of 90 days and, thereafter, at \$0.40 for the remaining 90 days. The fair value of brokers' warrants is \$30,019.
- (b) On August 31, 2020 the Company received proceeds and issued common shares for the exercise of 2,285,000 share purchase warrants at \$0.10 per share.
- (c) On August 31, 2020 the Company issued 730,000 Series B redeemable convertible preferred shares at a face value of \$10 to acquire the Encanto Potash Corp.'s 22.96% interest of potash resources in Saskatchewan. The Series B redeemable convertible preferred shares are voting and carry preferential dividend rights over the common shares and are convertible at the option of the Company into ten common shares of the Company based upon either of the following options; redeem one dollar approximately every 180 days or a maximum of two dollar within a twelve month period. As of August 31, 2021 and up to the date of the audit report, none of the preferred shares have been redeemed or converted into common shares.
- (d) On August 31, 2021 the Company received proceeds and issued common shares for the exercise of 50,000 share purchase warrants at \$0.15 per share.

10. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Outstanding, February 28, 2020	8,630,000	0.48
Expired	(2,133,333)	4.97
Issued warrants	5,000,000	0.15
Issued broker warrants	252,300	0.40
Exercised	(2,285,000)	0.10
Outstanding, February 28, 2021	9,463,967	0.26
Expired	(4,496,667)	0.30
Exercised	(50,000)	0.15
Outstanding, February 28, 2022	4,917,300	0.22

As at February 28, 2022, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
2,000,000	0.30	October 13, 2022
2,665,000	0.15	April 29, 2023
252,300	0.40	April 29, 2023
4,917,300	0.22	

ESG GLOBAL IMPACT CAPITAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022

(Unaudited - Expressed in Canadian dollars)

11. Stock Options

The Company has adopted an incentive stock option plan in accordance with policies of TSX-V (the "Stock Option Plan") whereby the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees, and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares exercisable for the period of up to ten years. In addition, the number of common shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed 2% of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee, and consultant and all other terms and conditions of the option, subject to the rules of the TSX-V.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, August 31, 2020	833,333	0.34
Granted	749,999	0.23
Granted	500,000	0.74
Expired	(833,333)	0.75
Outstanding, February 28, 2021	1, 249,999	0.45
Expired	(916,665)	0.70
Outstanding, February 28, 2022	333,334	0.24

As at February 28, 2022, the following stock options were outstanding:

Number of options outstanding	Exercise price \$	Expiry date
400,000	0.24	April 6, 2026
100,000	0.24	April 7, 2023
500,000	0.24	

ESG GLOBAL IMPACT CAPITAL INC.

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(Unaudited - Expressed in Canadian dollars)

12. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's condensed consolidated statement of financial position as at February 28, 2022 as follows:

	Fair value measurements using			Balance, November 30, 2021 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	200,557	—	—	200,557
Investments	4,297,329	1,133,202	680,586	6,111,117
	4,497,886	1,133,202	680,686	6,311,674

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

(b) Credit Risk

Credit risk represents the risk associated with the inability of a counterparty to fulfill its financial obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Loans and other receivable is comprised of loans to third party companies. All investments are monitored closely by management and credit loss is limited to the carrying amount of these financial assets.

(c) Foreign Exchange and Interest Rate Risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the Canadian dollar: cash, loans and other receivable and prepaid expense.

(d) Market Risk

The Company's investments are primarily in the form of publicly traded shares and share purchase warrants of publicly traded companies, of which the market values may fluctuate.

(e) Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. The Company invests in equity securities and other financial instruments. A portion of the Company's equity holdings are in private unlisted investments for which no active markets exist. Accordingly, timely disposition may not be possible and the realized price may be significantly different from the carrying value. The Company's policy is to maintain sufficient cash to meet normal operating requirements. It is also the Company's policy that the management monitors the Company's liquidity position and that the board of directors reviews it on an as needed basis.

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13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The investment objective of the Company is to achieve long-term capital growth from investments in public and private companies and the Company's objective in managing capital is to ensure it has the ability to continue to make new investments and to have sufficient cash for operations and to continue to operate as a going concern.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remained unchanged from the year ended August 31, 2021

14. Comparative Figures

Prior period comparative amounts have been reclassified to conform to current period presentation.

15. Subsequent Event

On March 9, 2022 the Company issued 2,307,692 Common shares at a deemed price of \$0.07875 per share to settle an aggregate indebtedness of \$181,731.