La Jolla Capital Inc.

Consolidated Financial Statements

For the year ended June 30, 2021

(in Canadian dollars)

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Adam Kim

ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
La Jolla Capital Inc.

Opinion
I have audited the consolidated financial statements of La Jolla Capital Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2021 and June 30, 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2021 and June 30, 2020, and its consolidated financial performance and its cash flow for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of consolidated the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern
I draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $130,415 during the year ended June 30, 2021 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of $17,178,377 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I are required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I are required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Unit# 168 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
October 26, 2021

La Jolla Capital Inc.
Consolidated Statements of Financial Position
As at June 30, 2021 and 2020
(in Canadian dollars)

	Notes		**2021**		2020
ASSETS					
Current					
Cash		**$**	**1,004**	$	1,360
Receivables			**359**		84
Total assets		**$**	**1,363**	$	1,444
LIABILITIES AND CAPITAL DEFICIT					
Current					
Accounts payable and accrued liabilities	9	**$**	**1,037,846**	$	917,512
Loans payable	4		**131,838**		121,838
			1,169,684		1,039,350
CAPITAL DEFICIT					
Share capital	5		**16,103,979**		16,103,979
Deficit			**(17,178,377)**		(17,040,580)
Accumulated other comprehensive loss			**(93,923)**		(101,305)
			(1,168,321)		(1,037,906)
		$	**1,363**	$	1,444

Nature of Operations and Going Concern (Note 1 and 2(b))

Approved on behalf of the Board of Directors on October 26, 2021:

"Eugene Beukman"
Director

"Aman Thindal"
Director

The accompanying notes form an integral part of these consolidated financial statements.

La Jolla Capital Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the year ended June 30, 2021 and 2020
(in Canadian dollars)

	Notes		2021		2020
Expenses					
Investor relations, agents and fees		**$**	**-**	$	6,386
Consulting, management and director fees	9		**96,000**		96,000
Office, premise and other			**97**		828
Professional fees	9		**41,700**		42,175
Net loss for the year			**(137,797)**		(145,389)
Other comprehensive loss					
Foreign currency translation adjustment			**7,382**		(3,236)
Total comprehensive loss		**$**	**(130,415)**	$	(148,625)
Loss per share, basic and diluted		**$**	**(0.03)**	$	(0.03)
Weighted average number of common shares outstanding, basic and diluted			**4,332,390**		4,332,390

The accompanying notes form an integral part of these consolidated financial statements.

La Jolla Capital Inc.
Consolidated Statements of Changes in Equity
For the years ended June 30, 2021 and 2020
(in Canadian dollars)

	Shares		Amount		Deficit		Cumulative other comprehensive loss		Total
Balance, June 30, 2019	4,332,390	$	16,103,979	$	(16,895,191)	$	(98,069)	$	(889,281)
Loss for the year	-		-		(145,389)		-		(145,389)
Other comprehensive loss	-		-		-		(3,236)		(3,236)
Balance, June 30, 2020	4,332,390	$	16,103,979	$	(17,040,580)	$	(101,305)	$	(1,037,906)
Loss for the year	-		-		(137,797)		-		(137,797)
Other comprehensive loss	-		-		-		7,382		7,382
Balance, June 30, 2021	4,332,390	$	16,103,979	$	(17,178,377)	$	(93,923)	$	(1,168,321)

The accompanying notes form an integral part of these consolidated financial statements.

La Jolla Capital Inc.
Consolidated Statements of Cash Flows
For the years ended June 30, 2021 and 2020
(in Canadian dollars)

		2021		2020
Cash provided by (used in):				
Operating Activities				
Net loss for the year	$	(137,797)	$	(145,389)
Items not involving cash:				
Unrealized foreign exchange		7,382		(3,236)
		(130,415)		(148,625)
Change in non-cash working capital:				
Receivables		(275)		(44)
Accounts payable and accrued liabilities		120,334		138,936
Cash Used in operating activities		(10,356)		(9,733)
Financing Activities				
Loans received		10,000		10,000
Cash received from financing activities		10,000		10,000
Increase/(Decrease) in cash		(356)		267
Cash, beginning of the year		1,360		1,093
Cash, end of the year	$	1,004	$	1,360

1. NATURE OF OPERATIONS

La Jolla Capital Inc., (formerly MicroCoal Technologies Inc.) (the "Company") was incorporated on April 6, 1990 under the laws of the Province of British Columbia and on June 19, 1997 the Company continued as a federal corporation under the Canada Business Corporation Act. On May 21, 2015, MicroCoal Technologies Inc. ("MicroCoal" or "MTI") completed a Plan of Arrangement (the "Plan of Arrangement" or "Arrangement") with a newly formed company called Targeted Microwave Solutions Inc. ("TMS") pursuant to the British Columbia Business Corporations Act. Under terms of the Arrangement, every MicroCoal shareholder received one share in the Company for every share held in MicroCoal at the effective date. The Company changed its name from MicroCoal Technologies Inc. to La Jolla Capital Inc. on May 21, 2015.

The Company's registered office is located at 810-789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Company`s principal business activity is the exploration and development of mineral properties.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

(b) Going Concern

At June 30, 2021, the Company incurred a loss of $137,797 for the year then ended (2020 - $145,389), had a working capital deficit of $1,168,321 (2020 - $1,037,906) and has accumulated losses of $17,178,377 (2020 - $17,040,580) since its inception. The Company expects to incur further losses in the development of its new business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These circumstances indicate the existence of material uncertainty related to events and conditions that may cast significant doubt about the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. These financial statements do not give effect to any adjustments required to realize it assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

During the year ended June 30, 2021, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021 and beyond.

2. BASIS OF PREPARATION (continued)

(c) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for those assets and liabilities that are measured at fair value at the end of each reporting period. Certain comparative amounts have been re-presented to conform to the current year presentation.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Considering the status of the Company, the only estimate with a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year relates to income taxes. Tax legislation, regulation and interpretation require estimates and judgments which have a bearing on the amounts recorded in the tax provision and income taxes payable. The Company's tax filings are continually subject to review by the applicable tax authorities who make the final determination of the actual amounts of taxes payable or receivable. There are transactions and calculations for which the ultimate tax treatment is uncertain and may be subject to change on assessment with the relevant tax authority.

(d) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. All intercompany transactions and balances between the Company and its subsidiaries are eliminated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

The results and financial position of subsidiaries whose functional currency differs from that of the parent company ("foreign operations") are translated into the Canadian dollar presentation currency as follows: (i) assets and liabilities are translated at the closing rate as at the reporting date, and (ii) income and expenses are translated at the average exchange rate of transactions for the period. All resulting exchange differences are recognized as other comprehensive income (loss).

A foreign currency translation is a transaction denominated or requiring settlement in a foreign currency and is initially recorded in the functional currency of the subsidiary by applying the spot exchange rate on the date of the transaction. At the end of each reporting period, these balances are translated as: (i) foreign currency monetary assets and liabilities are translated using the prevailing exchange rate at the balance sheet date; (ii) non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; (iii) non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate when the fair value was measured; and (iv) income statement items denominated in foreign currencies are translated using the average monthly exchange rates, except for depreciation which is translated at historical exchange rates.

(b) Income taxes

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

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income taxes (continued)

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(c) Financial instruments

Financial assets

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified at FVTPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified and measured at:

(i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL). All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. The classification determines the method by which financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded. Cash and cash equivalents, and accounts receivable are measured at amortized cost with subsequent impairments recognized in the statements of operations and comprehensive loss.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. Financial liabilities, other than financial liabilities classified as FVTPL, are measured in subsequent periods at amortized cost using the effective interest method. Accounts payable and accrued liabilities and loans payable are classified as other financial liabilities and carried on the balance sheet at amortized cost.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence that can be estimated reliably indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If a financial asset measured at amortized cost is impaired, an amount equal to the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate is recognized as an impairment loss in the consolidated statement of operations. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying amount that would have been determined had no impairment charge been recognized in prior periods. Reversals of impairment charges are recognized in the consolidated statements of operations and comprehensive loss in the period in which they occur.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. Reviews are undertaken on an asset-by-asset basis. If the carrying amount of a non-financial asset exceeds the recoverable amount, being the higher of its fair value less costs to sell and its value-in-use, an impairment loss is recognized in net earnings as the excess of the carrying amount over the recoverable amount.

Where the recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed production plans. The mine plan is the basis for forecasting production output in each future year and for forecasting production costs. For value-in-use calculations, production costs and output may be revised to reflect the continued use of the asset in its present form.

(e) Share-based payments

The fair value of equity settled stock options awarded to employees (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees, as of the date of delivery of service, is recognized as share-based compensation expense, included in general and administrative expenses in the Consolidated Statements of Comprehensive Income (Loss), over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity. The fair value of stock options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant or the date of delivery of service. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Changes to the estimated number of awards that will eventually vest are accounted for prospectively.

(f) Basic and diluted loss per share

Basic earnings or loss per share represents the income or loss for the year, divided by the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share represents the income or loss for the year, divided by the weighted average number of common shares outstanding during the year plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

4. LOANS PAYABLE

As at June 30, 2021, the Company had loans payable of $82,734 (June 30, 2020 - $82,734) to unrelated parties and $49,104 (June 30, 2020 - $39,104) to related parties (Note 9). The loans are unsecured, non-interest bearing and are due on demand.

5. SHARE CAPITAL

(a) Authorized: Unlimited number of common shares, voting

(b) Issued and Outstanding

Share Consolidation

On May 21, 2015, pursuant to the Plan of Arrangement, the Company consolidated its issued and outstanding common shares on a 50:1 basis (the "Share Consolidation"). This Share Consolidation resulted in the pre-consolidation issued and outstanding total shares of 179,500,076 being consolidated on a 50:1 basis. After effecting all transactions, there were 3,589,990 issued and outstanding common shares which became the new share capital of the Company. The Share Consolidation affected all of MTI's issued and outstanding common shares on May 21, 2015. Fractional shares were not issued. Pre-consolidation there were 32,913,886 (post-consolidation 658,278) MTI warrants issued and outstanding. These warrants were transferred to TMS and do not exist post-consolidation. Prior to the Plan of Arrangement, there were pre-consolidation 3,220,000 (post-consolidation 64,400) stock options all of which were cancelled.

As at June 30, 2021 and June 30, 2020 there were 4,332,390 shares issued and outstanding.

No shares were issued during the years ended June 30, 2021 and 2020.

6. FINANCIAL INSTRUMENTS

(a) Fair value information

As at June 30, 2021, the Company's financial instruments consist of cash, accounts payable and loans payable. The carrying values of these financial instruments approximate their fair values because of their current nature. All financial assets and financial liabilities are recorded at fair value on initial recognition. All financial assets and financial liabilities are recorded at fair value on initial recognition.

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity);

At June 30, 2021 and June 30, 2020, cash was classified in the fair value hierarchy as level 1. There were no transfers between levels during the year ended June 30, 2021.

(b) Financial instruments and related risks

Liquidity Risk

At June 30, 2021, the Company held cash of $1,004 (June 30, 2020 - $1,360), had negative working capital of $1,168,321 (June 30, 2020 - $1,037,906). At June 30, 2021, the Company expects that it will be able to obtain funding from investors in order to meet its obligations.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments and related risks (continued)

Interest rate Risk

Interest rate risk is the result that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company was not exposed to significant interest rate risk as loans payable were at fixed interest rates with short-term maturities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company was mainly exposed to credit risk from holding cash, which it mitigates from holding balances with major financial institutions.

Currency Risks

The Company is exposed to currency risk related to certain accounts payable and accrued liabilities and other payable amounts which were denominated in US$. As at June 30, 2021, there were US$59,820 denominated in US$ (June 30, 2020 – US$59,820).

7. MANAGEMENT OF CAPITAL

The Company's objectives of capital management are to safeguard its ability to support the Company's normal operating requirements on an ongoing basis and to start to development its mining interest. The Company considers its capital to be share capital.

The Company’s is currently not generating any cash flows; as such, the Company is dependent on external and related party financing to fund its costs. The Company does not have any working capital and will need to raise additional amount in order to meet its obligations. Companies in this stage typically rely upon equity and debt financing to fund operations. The Company is not listed on a stock exchange at June 30, 2021. There is no certainty with respect to the Company’s ability to raise capital.

At June 30, 2021, the Company expects that it will be able to obtain funding from investors in order to meet its obligations. Additional financing will need to be obtained for the planned development and exploration of the mining interest.

At June 30, 2021, there was no externally imposed capital requirement to which the Company is subject.

8. SUPPLEMENTAL CASH FLOW INFORMATION

		Year ended June 30, 2021		Year ended June 30, 2020
Interest paid	**$**	**-**	$	-
Income taxes paid	**$**	**-**	$	-

(in Canadian dollars)

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

As at June 30, 2021, the Company owed $806,500 (June 30, 2020 - $674,500) to various directors and their companies, which is included in accounts payable and accrued liabilities.

As at June 30, 2021, the Company had loans payable of $49,104 (June 30, 2020 - $39,104) to directors of the Company (Note 4).

The remuneration of directors and key management personnel during the year ended June 30, 2021 and 2020 are as follows:

		2021		2020
Management, consulting, directors' and professional fees	$	**132,000**	$	132,000
	$	**132,000**	$	132,000

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

10. SEGMENTED INFORMATION

The Company previously operated in one industry segment. At June 30, 2021 and 2020, the Company has no operations and there was no property and equipment in any geographical area.

11. INCOME TAXES

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

		2021		2020
Loss for the year	$	**(137,797)**	$	**(145,389)**
Tax recovery based on the statutory rate of 27% (2020: 27%)		**(37,205)**		**(39,255)**
Changes in unrecognized deferred tax assets		**37,205**		**39,255**
	$	**-**	$	-

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at June 30, 2021 and 2020 are summarized as follows:

		2021		2020
Tax losses carried forward	$	**521,677**	$	**484,472**
Equipment		**8,172**		**8,172**
Undeducted financing costs and other tax assets		**7,318**		**7,318**
		537,167		**499,962**
Unrecognized deferred tax assets		**(537,167)**		**(499,962)**
	$	**-**	$	**-**

11. INCOME TAXES (continued)

The Company has approximately $1,900,000 of non-capital losses available, which begin to expire through to 2041 and may be applied against future taxable income. At June 30, 2021, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.