CANADIAN IMPERIAL VENTURE CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
NOVEMBER 30, 2020 and 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Canadian Imperial Venture Corp.

Opinion

We have audited the accompanying consolidated financial statements of Canadian Imperial Venture Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2020 and 2019, and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity (deficit) for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We 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 IFRS, 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

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Erez Bahar.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

February 5, 2021

CANADIAN IMPERIAL VENTURE CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	November 30, 2020	November 30, 2019
ASSETS		
Current		
Cash	$ 89,580	$ 196,485
Amounts receivable	3,041	1,172
Total current assets	92,621	197,657
Total assets	$ 92,621	$ 197,657
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current		
Accounts payable and accrued liabilities	$ 146,246	$ 128,898
Total current liabilities	146,246	128,898
Shareholders' equity (deficit)		
Capital stock (Note 5)	15,931,640	15,931,640
Reserves (Note 5)	2,661,740	2,661,740
Deficit	(18,647,005)	(18,524,621)
Total shareholders' equity (deficit)	(53,625)	68,759
Total liabilities and shareholders' equity (deficit)	$ 92,621	$ 197,657

Nature of operations and going concern (Note 1)
Basis of presentation (Note 2)

"Jacqueline Tucker" Director *"Jeff Lightfoot"* Director

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

CANADIAN IMPERIAL VENTURE CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED NOVEMBER 30,

	2020	2019
EXPENSES		
Consulting fees	$ 8,226	$ 185,381
General and administrative	127	287
Professional fees (Note 8)	104,292	106,708
Transfer agent and filing fees	9,739	68,037
Total expenses	(122,384)	(360,413)
Loss and comprehensive loss for the year	$ (122,384)	$ (360,413)
Loss per common share, basic and diluted	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding, basic and diluted	14,800,334	14,529,458

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

CANADIAN IMPERIAL VENTURE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED NOVEMBER 30,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (122,384)	$ (360,413)
Changes in non-cash working capital items:		
Amounts receivable	(1,869)	1,107
Prepaid expenses	-	6,500
Accounts payables and accrued liabilities	17,348	62,208
Net cash used in operating activities	(106,905)	(290,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	-	179,112
Related party repayments	-	(3,500)
Net cash provided by financing activities	-	175,612
Change in cash for the year	(106,905)	(114,986)
Cash, beginning of the year	196,485	311,471
Cash, end of the year	$ 89,580	$ 196,485
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

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

CANADIAN IMPERIAL VENTURE CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED NOVEMBER 30, 2020 and 2019

	Capital Stock				
	Shares	**Amount**	**Reserves**	**Deficit**	**Total Shareholders' Equity (Deficit)**
Balance, November 30, 2018	**13,367,439**	**$ 15,752,528**	**$ 2,661,740**	**$ (18,164,208)**	**$ 250,060**
Exercise of warrants	1,432,895	179,112	-	-	179,112
Loss and comprehensive loss	-	-	-	(360,413)	(360,413)
Balance, November 30, 2019	**14,800,334**	**$ 15,931,640**	**$ 2,661,740**	**$ (18,524,621)**	**$ 68,759**
Loss and comprehensive loss	-	-	-	(122,384)	(122,384)
Balance, November 30, 2020	**14,800,334**	**$ 15,931,640**	**$ 2,661,740**	**$ (18,647,005)**	**$ (53,625)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Canadian Imperial Venture Corp. ("CIVC" or the "Company") is incorporated under the Business Corporations Act of British Columbia. The Company is listed on the NEX branch of the TSX Venture Exchange, under the symbol CQV.H. The Company's head office is located at 2900 – 595 Burrard Street, Vancouver, BC.

The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended November 30, 2020, the Company incurred a net loss of $122,384 and had an accumulated shareholders' deficit at November 30, 2020 of $18,647,005. These conditions cast significant doubt on the Company's ability to continue as a going concern.

The current market conditions and volatility increases the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the Company's statement of financial position.

Ikänik Farms, Inc.

On April 2, 2019, the Company entered into a business combination agreement (the "Agreement") with Ikänik Farms, Inc. ("Ikänik") (formerly Cannus Partners, Inc.) and a wholly owned subsidiary of the Company, 11326937 Canada Inc. ("Newco"), formed for the purpose of completing the amalgamation. Ikänik is an arm's length company incorporated under the Canada Business Corporations Act and is a vertically integrated cannabis cultivator, producer, distributor and dispensary operator that is building out its "seed to sale" business.

Pursuant to the Agreement, the Company has agreed to acquire all of the issued and outstanding securities of Ikänik and the business of Ikänik by way of a three-cornered amalgamation (the "Transaction") between the Company, Ikänik and Newco pursuant to the provisions of the Canada Business Corporations Act. The Transaction will result in a reverse takeover of the Company by the security holders of Ikänik. Prior to the completion of the Transaction, the Company will designate its common shares as subordinate voting shares (the "Resulting Issuer SV Shares") and create a new class of Series A compressed multiple voting shares (the "Resulting Issuer Series A Shares", together with the Resulting Issuer SV Shares, the "Resulting Issuer Shares"). Each Resulting Issuer Series A Share will have the economic and voting rights equivalent to 100 times the Resulting Issuer SV Shares, and shall be convertible into or exchangeable to the Resulting Issuer SV Shares on the terms and conditions to be determined by Ikänik. The Company will consolidate its existing shares on a ratio to be mutually agreed upon by the Company and Ikänik such that immediately prior to the closing of the Transaction, there will be an aggregate of 9,500,000 common shares of the Company issued and outstanding on a post-consolidation basis, which will be redesignated into Resulting Issuer Shares such that shareholders of the Company will own 9,500,000 Resulting Issuer Shares.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued):

Ikänik Farms, Inc. (continued):

Pursuant to the terms of the Agreement, it is anticipated that Newco and Ikänik will amalgamate to form a single subsidiary of the Company. In consideration for the cancellation of all outstanding securities of Ikänik upon completion of the Transaction, the security holders of Ikänik will receive:

(i) one Resulting Issuer SV Share for each common share of Ikänik (each, a “Ikänik Common Share”);

(ii) one Resulting Issuer Series A Share for each Series A compressed share of Ikänik (each, a “Ikänik Series A Share”);

(iii) one option to purchase Resulting Issuer Shares for each option to purchase Ikänik Common Shares (each, an “Ikänik Common Option”) on the same terms and conditions as each Ikänik Common Option;

(iv) one option to purchase Resulting Issuer Series A Shares for each option to purchase Ikänik Series A Shares (each, a “Ikänik Series A Option”) on the same terms and conditions as each Ikänik Series A Option;

(v) one purchase warrant for Resulting Issuer SV Shares for each purchase warrant for Ikänik Common Shares (each, a “Ikänik Common Warrant”) on the same terms and conditions as each Ikänik Common Warrant;

(vi) one purchase warrant for Resulting Issuer Series A Shares for each purchase warrant for Ikänik Series A Shares (each, a “Ikänik Series A Warrant”) on the same terms and conditions as each Ikänik Series A Warrant; and

(vii) one broker warrant for Resulting Issuer SV Shares for each broker right to purchase Ikänik Common Shares (each, a “Ikänik Broker Right”) on the same terms and conditions as each Ikänik Broker Right.

Completion of the Transaction is subject to a number of conditions, such as working capital and cash position requirements for the Company, including Ikänik having to complete a financing, receipt of all necessary shareholder and regulatory approvals, the execution of related transaction documents, approval of the TSX Venture Exchange (the “TSXV”) for the delisting of the common shares of the Company from the TSXV and conditional approval of the Canadian Securities Exchange (the “CSE”) for the listing of the Resulting Issuer SV Shares following completion of the Transaction.

Certain securities issued in connection with the Transaction may be subject to the escrow requirements of the CSE, mutually agreed upon escrow conditions and lock-up periods as required by the CSE and applicable securities laws.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effect on the Company’s business or ability to raise funds.

2. BASIS OF PRESENTATION

a) Statement of compliance and basis of measurement

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent 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"). These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as and measured as at their fair value.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements of the Company for the year ended November 30, 2020 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 5, 2021.

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
11326937 Canada Inc.	Canada	100%	Inactive – formed for purpose of completing the Transaction (Note 1)

c) Functional currency and presentation currency

The Company and its subsidiary's functional and presentation currency is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash includes cash on hand and deposits held with financial institutions.

b) Financial instruments

Financial assets
The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

b) Financial instruments (continued):

Financial assets (continued):

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed as incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are recognized in profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: 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 the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

The following table shows the classification of the Company's financial assets and liabilities under IFRS:

Financial asset or liability	IFRS 9 Classification
Cash	FVTPL
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

c) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss 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

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

c) Income taxes (continued):

years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

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.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

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.

d) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, warrants, and stock options are classified as equity instruments. Incremental costs directly attributable to the issue of new common shares, warrants or stock options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component, as determined by the closing quoted bid price on the issuance date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

e) Loss per common share

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the period.

Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding at year-end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

e) Loss per common share (continued):

the year. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

f) Share-based compensation

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based payments to non-employees are measured at the fair value of the goods or services received or if such fair value is not reliably measurable, at the fair value of the equity instruments issued.

g) New standards, interpretations and amendments

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company adopted this standard effective December 1, 2019 and determined it had no impact on the Company’s consolidated financial statements.

- IFRIC 23 – Uncertainty over Income Tax Treatment: New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 “Income Taxes” when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. The Company adopted this standard effective December 1, 2019 and determined it had no impact on the Company’s consolidated financial statements.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2020. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company.

- IFRS 3 – Business Combinations: IFRS 3 was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive, and the inputs and process must together significantly contribute to operating outputs. In addition, it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs, and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

New standards and interpretations not yet adopted (continued)

concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

- IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: IAS 1 and IAS 8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the financial statements are discussed below.

Critical judgments

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(Expressed in Canadian Dollars)

5. CAPITAL STOCK

Authorized capital stock: unlimited number of common shares without par value, issuable in series.

During the year ended November 30, 2020, the Company did not issue any common shares.

During the year ended November 30, 2019, the Company issued 1,432,895 common shares for proceeds of $179,112 on the exercise of warrants.

Stock Option Plan

The Company has a rolling Stock Option Plan (the "Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or consultants of the Company.

Options granted must expire no later than a maximum of ten years from the date of the grant. Terms of the Plan are as follows:

i) The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant.

ii) The number of shares which may be awarded to any one individual may not exceed 5% of the issued shares at the date of grant, and the total number of options awarded to any consultant shall not exceed 2% of the issued and outstanding common shares at the time of the grant.

iii) The total number of options awarded to all persons employed by the Company who perform investor relations activities shall not exceed 2% of the issued and outstanding shares of the Company in any twelve-month period.

iv) Under TSXV policy all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

The Plan does not require vesting provisions for options issued except in limited circumstances.

There were no stock options granted during the years ended November 30, 2020 and 2019.

As at November 30, 2020 and 2019, there were no stock options outstanding and exercisable.

Share purchase warrants

The following is a summary of changes in share purchase warrants:

	Number of Options	Weighted Average Exercise Price
Outstanding, November 30, 2018	11,802,500	0.125
Exercised	(1,432,895)	0.125
Expired	(10,369,605)	0.125
Outstanding, November 30, 2019 and 2020	-	$ -

As at November 30, 2020 and 2019, there were no warrants outstanding and exercisable.

6. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The Company's cash is measured at fair value, under the fair value hierarchy based on level 1 quoted prices in active markets for identical assets or liabilities.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's amounts receivable and accounts payable and accrued liabilities approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short term nature.

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk. Amounts receivable consists of input tax credits receivable from the Government of Canada and are not subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2020, the Company had a cash balance of $89,580 to settle current liabilities of $146,246. The Company expects to fund future liabilities through the issuance of capital stock. See Note 1 for discussion of going concern risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

a) Interest rate risk

The Company has cash balances which are not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. As at November 30, 2020, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

c) Foreign currency risk

The Company operates in Canada and is not exposed to any significant foreign currency risk.

(Expressed in Canadian Dollars)

7. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and development of its business interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. In order to fund new business opportunities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new business opportunities and seek to acquire new business assets if it determines there are sufficient business opportunities or economic potential and if it has adequate financial resources to do so (see Note 1).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended November 30, 2020. The Company is not subject to externally imposed capital requirements.

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	Years ended November 30,	
	2020	**2019**
Short-term benefits*	$ 8,850	$ 11,800

*includes base salaries pursuant to contractual employment or consultancy arrangements. These have been recorded in professional fees and consulting fees.

During the year ended November 30, 2020, the Company had the following transactions with related parties:

a) The Company incurred $nil (2019 - $1,967) in legal fees with Owen Bird Law Corporation, a law firm in which Jeff Lightfoot, a director of the Company, is a partner.

As at November 30, 2020, the Company had the following amounts outstanding to related parties:

a) Included in accounts payable and accrued liabilities is $6,195 (2019 - $2,950) owing to MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company, for professional fees.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued):

b) Included in accounts payable and accrued liabilities is $nil (2019 - $1,967) owing to Owen Bird Law Corporation, a law firm in which Jeff Lightfoot, a director of the Company, is a partner.

9. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2020		2019
Net loss for the year	$	(122,384)	$	(360,413)
Expected income tax (recovery)	$	(33,000)	$	(97,000)
Change in statutory tax rates and other		5,000		538,000
Permanent difference		-		-
Share issue costs		-		(2,000)
Adjustment to prior years provision versus statutory tax returns		(37,000)		-
Change in unrecognized temporary difference and other		65,000		(439,000)
Total income tax expense (recovery)	$	-	$	-
Current income tax expense (recovery)	$	-	$	-
Deferred tax recovery	$	-	$	-

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

		2020	Expiry Date Range		2019	Expiry Date Range
Temporary Differences						
Share issue costs	$	3,000	2040 - 2042	$	4,000	2029 – 2042
Allowable capital losses	$	1,569,000	No expiry date	$	1,015,000	No expiry date
Non-capital losses	$	5,516,000	2026 - 2040	$	5,638,000	2026 - 2039
Property and equipment	$	11,000	No expiry date	$	11,000	No expiry date
Exploration and evaluation assets	$	19,892,000	No expiry date	$	20,086,000	No expiry date

Tax attributes are subject to review, and potential adjustment, by tax authorities.