STRALAK RESOURCES INC.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

FEBRUARY 28/29, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

Notice to Reader

The accompanying unaudited interim financial statements of Stralak Resources Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited interim financial statements have not been reviewed by the Company's auditors.

STRALAK RESOURCES INC.

INTERIM FINANCIAL STATEMENTS

February 28/29, 2021 and 2020

(EXPRESSED IN CANADIAN DOLLARS)

STRALAK RESOURCES INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
AS AT

	Notes	Feb. 28 2021 $	Nov. 30 2020 $
ASSETS			
CURRENT			
Cash		70,112	-
GST/HST receivable		8,788	-
TOTAL ASSETS		78,900	-
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	8	179,325	7,600
		179,325	-
Other liabilities	5	414,280	414,280
TOTAL LIABILITIES		593,605	421,280
SHAREHOLDERS' DEFICIENCY			
CAPITAL STOCK	6 (b)	4,142,477	4,057,477
DEFICIT		(4,657,182)	(4,479,357)
TOTAL SHAREHOLDERS' DEFICIENCY		(517,705)	(421,880)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		78,900	-
NATURE OF OPERATIONS AND GOING CONCERN	1		
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APPROVED ON BEHALF OF THE BOARD

"Aaron Meckler" Director

"Daniel Talkins" Director

See the accompanying notes to the interim financial statements

STRALAK RESOURCES INC.
INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
FOR THE THREE MONTHS ENDED FEBRUARY 28/29

	Notes	**2021** **$**	**2020** **$**
EXPENSES			
Management and consulting fees	**8**	160,000	-
Regulatory fees		7,200	-
Professional fees		10,625	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		177,825	-
NET LOSS PER SHARE - Basic and diluted		(0.01)	0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - Basic and diluted		30,709,442	12,563,375

See the accompanying notes to the interim financial statements

STRALAK RESOURCES INC.
INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
FOR THE THREE MONTHS ENDED FEBRUARY 28/29, 2021 AND 2020

	Capital Stock #	Capital Stock $	(Deficit) $	Total $
BALANCE, NOVEMBER 30, 2019	12,563,375	4,057,477	(4,471,757)	(414,280)
Loss and comprehensive loss	-	-	-	-
BALANCE, FEBRUARY 29, 2020	12,563,375	4,057,477	(4,471,757)	(414,280)
Loss and comprehensive loss	-	-	(7,600)	(7,600)
BALANCE, NOVEMBER 30, 2020	12,563,375	4,057,477	(4,479,357)	(421,880)
Private placement for cash	85,000,000	85,000	-	-
Loss and comprehensive loss	-	-	(177,825)	(177,825)
BALANCE, FEBRUARY 28, 2021	97,563,375	4,142,477	(4,657,182)	(514,705)

See the accompanying notes to the interim financial statements

STRALAK RESOURCES INC.
INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
FOR THE THREE MONTHS ENDED FEBRUARY 28/29, 2021 AND 2020

	2021 $	2020 $
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss and comprehensive loss for the period	(177,825)	-
Changes in non-cash components of working capital		
Increase in GST/HST receivable	(8,788)	
Increase in accounts payable and accrued liabilities	171,725	-
Cash flow used in operating activities	(14,888)	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Issuance of share capital	85,000	-
Cash flow provided by financing activities	85,000	-
Increase in cash for the period	70,112	-
CASH, beginning of the year	-	-
CASH, end of the period	70,112	-

See the accompanying notes to the interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Stralak Resources Inc. (the "Company") is incorporated under the Business Corporations Act (British Columbia) and was engaged in the acquisition and exploration of precious metal and industrial mineral properties primarily through its investment in Mohawk Garnet Inc. The Company's exploration activities were carried out principally in Canada. The Company is actively pursuing other potential opportunities. The Company's head office is located at Suite 405, 1049 Chilco Street, Vancouver, BC V6G 2R7. The Company's securities are subject to a cease trade order issued by the British Columbia Securities Commission (the "**BCSC**") dated April 12, 2007 (the "**BC Cease Trade Order**") and by the Alberta Securities Commission (the "**ASC**") on July 11, 2007 (the "**AB Cease Trade Order**", together with the BC Cease Trade Order, the "**Cease Trade Orders**"), for failure to file certain continuous disclosure filings required under applicable securities laws. The Company applied for partial revocation of the Cease Trade Orders ("**Partial Revocation Orders**") on November 23, 2020.

These financial statements of the Company were approved and authorized for issue by the Board of Directors (the "Board") on March 31, 2021.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume 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 operations as they come due. The Company has a loss of $177,825 for the period ended February 28, 2021 (2020 - $Nil) and it had a deficit of $4,657,182 as at February 28, 2021 (2020 - $4,479,357). Management believes it will be successful in raising the necessary funds to continue in the normal course of operations or effecting a corporate transaction; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all, or that a corporate transaction will be effected. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. There is a material uncertainty that results in significant doubt regarding the ultimate applicability of the Company's going concern assumptions.

Further, in March 2020, the World Health Organization declared coronavirus COVID – 19 a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the

COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The policies have been consistently applied to all periods presented unless otherwise noted.

3. BASIS OF PREPARATION

Basis of measurement

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

4. SIGNIFICANT ACCOUNTING POLICIES

Outlined below are those policies considered particularly significant:

(a) Cash

Cash comprises cash on hand and money market funds, with original maturities of less than 90 days.

(b) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(c) Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which the options vest. The offset to the recorded cost is to share-based payment reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of operations such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of operations.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(d) Loss per common share

Basic loss per share is calculated using the weighted average number of shares outstanding. The diluted loss per share assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share.

(e) Use of estimates

The preparation of these financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

- **Income, value added, withholding and other taxes**
  The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- **Share-based payments**
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and Company performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(f) Financial assets and liabilities

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit and loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statements of loss.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of earnings (loss) when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company does not have any financial assets subject to impairment.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company’s financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(g) Translation of foreign currencies

The functional and reporting currency of the Company is the Canadian dollar. Transactions in foreign currencies are translated into the currency of measurement at the exchange rates in effect on the transaction date. Monetary items on the statement of financial position, expressed in foreign currencies, are translated into Canadian dollars at the exchange rates in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated at the reporting date. Depreciation is translated on the same basis as the related asset. The resulting exchange gains or losses are recognized in operations in the period in which they arise.

(h) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(i) Recent Accounting Pronouncements and Accounting Changes

Effective December 1, 2019, the Company adopted the following standard:

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 was effective for annual periods beginning on or after January 1, 2019. The application of the new standard had no impact on the Company's financial statements for the periods ended February 28/29, 2021 and 2020.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after December 1, 2020, or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following has not yet been adopted and is being evaluated to determine its impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("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.

5. OTHER LIABILITIES

During the year ended November 30, 2010, the Company transferred $414,280 of liabilities (the "Statute-barred Claims") to non-current liabilities on the basis that any claims in respect of the Statute-barred Claims were statute barred under the Limitations Act (British Columbia). The Statute-barred Claims related to expenses billed by and third-party liabilities incurred by the Company which is no longer active. However, for accounting purposes under IFRS, a debt can only be removed from the Company's Statement of Financial Position when it is extinguished, meaning only when the contract is discharged or canceled or expires. The effect of the Limitations Act is to prevent a creditor from enforcing an obligation but it does not formally extinguish the debt for accounting purposes. It is the position of management of the Company that the Statute-barred Claims cannot be enforced by the creditors, do not create any obligation for the Company to pay out any cash and do not affect the financial or working capital position of the Company. The Statute-barred Claims are required to be reflected on the Company's Statement of Financial Position as a result of the current interpretation of IFRS, but they are classified as long-term liabilities since the Company has no intention or obligation to pay these Statute-barred Claims and the creditors cannot enforce payment of the Statute-barred Claims. While inclusion of these items is intended solely to comply with the requirements of IFRS, the Company in no way acknowledges any of the Statute-barred Claims.

6. CAPITAL STOCK

The capital stock is as follows:

(a) Authorized
100,000,000 common shares

(Expressed in Canadian Dollars)

(b) Issued

	Common Shares #	Amount $
November 30, 2020	12,563,375	4,057,477
Private placement for cash	85,000,000	85,000
February 28, 2021	97,563,375	4,142,477

The Company completed a private placement of 85,000,000 common shares for gross proceeds of $85,000 on December 22, 2020. Two directors of the Company participated in the private placement through the acquisition of 73,333,330 common shares for gross proceeds of approximately $73,333.

(c) Stock Options

The Company has a 10% rolling stock option plan ("Plan") which provides that incentive-based stock options may be granted, at the Board's discretion, to a quantity not to exceed 10% of the issued and outstanding shares of the Company at the time of granting. The Plan requires annual shareholder approval. The Plan was renewed at the July 9, 2008 Shareholders' Meeting.

No stock options were granted in the three months ended February 28, 2021 or and the year ended November 30, 2020. No stock options were outstanding at February 28, 2021 nor at November 30, 2020.

(d) Warrants

As of February 28, 2021 and November 30, 2020, there were no outstanding warrants to purchase common shares of the Company.

7. CONTINGENCIES AND COMMITMENTS

Environmental contingencies

The Company's exploration activities were subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are in material compliance with all applicable laws and regulations. Management is required to estimate the cost of compliance when laws change. Although the Company has made expenditures to comply with such laws and regulations, it does not expect to make any further expenditures in the future.

8. RELATED PARTY TRANSACTIONS

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the three-month period ended February 28, 2021 a company owned by the CEO & CFO charged management fees of $63,011 and a company owned by Daniel Talkins, a Director, charged management fees of $53,333. A company owned by a large (>10%) shareholder charged a consulting fee of $43,656. There was no other remuneration of directors and key management personnel of the Company for the three-month period ended February 29, 2020 .

As at February 28, 2021, related parties held $160,000 (November 30, 2020 - $Nil) in accrued liabilities and accounts payable.

All amounts due to related parties are unsecured, non-interest bearing and payable on demand.

9. FINANCIAL INSTRUMENTS AND RISK FACTORS

International financial reporting standards require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the reporting date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. At February 28, 2021 and November 30, 2020, the Company has no financial instruments carried at fair value to classify in the fair value hierarchy.

As at February 28, 2021 and November 30, 2020, carrying amounts of cash, amounts receivable, and accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company does not have assets subject to credit risk.

(b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its obligations when due. At February 28, 2021, the Company had cash of $70,112 (November 30, 2020 - $Nil) available to settle current liabilities of $179,325 (November 30, 2020 - $7,600). Of the Company's accounts payable all have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

The Company has no cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign Exchange Risk

The Company's functional currency is the Canadian dollar but major purchases could be transacted in Canadian dollars or United States dollars. As at February 28, 2021 and November 30, 2020, the Company held no foreign currency balances.

(iii) Price Risk

The Company would be exposed to price risk with respect to commodity prices related to exploration properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(d) Sensitivity Analysis

The Company holds no balances in United States dollars that give rise to foreign exchange risk. Based on management's knowledge and experience of the financial markets, the Company does not believe there would be any material movements as a result of changes in interest rates.

10. INCOME TAXES

This note has not been updated from November 30, 2020.

11. CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' deficiency. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the search for a new business opportunity. 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 dependent on external financing to fund its activities. In order to pay administrative costs, the Company raise additional amounts as needed. The Company will continue to assess new corporate transactions with economic potential and if it has adequate financial resources to do so, to the benefit of shareholders.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the three months ended February 28, 2021 and the year ended November 30, 2020. The Company is not currently subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

On March 5, 2021, the the BCSC and the ASC granted full Revocation Orders, revoking their cease trade orders, originally issued in respect of the securities of the Company on, respectively, April 12, 2007 and 11 July, 2007.