

GLOBAL CARE CAPITAL INC.
BUSINESS ACQUISITION REPORT
FORM 51-102F4

Item 1. Identity of Company

1.1 Name and Address of Company

Global Care Capital Inc. (the “**Company**”)
789 West Pender Street, Suite 810
Vancouver, BC V6C 1H2

1.2 Executive Officer

The following executive officer of the Company is knowledgeable about the significant acquisition and this business acquisition report:

Alex Somjen, President & Chief Executive Officer
Telephone: 647-687-2038

Item 2. Details of Acquisition

2.1 Nature of Business Acquired

The Company has completed the acquisition (the “**Acquisition**”) of 70% of the issued and outstanding shares in the capital of High Standard Health Care Ltd. (“**HSHC**”) pursuant to a Share Purchase Agreement dated May 29, 2020 (the “**Share Purchase Agreement**”) among the Company, HSHC and the shareholders of HSHC (the “**Shareholders**”).

2.2 Date of Acquisition

The Company completed the Acquisition on June 5, 2020.

2.3 Consideration

Pursuant to the terms of the Share Purchase Agreement and as consideration of the Acquisition, the Company issued 27,000,000 common shares in the capital of the Company (the “**Payment Shares**”) at a deemed value of CDN\$0.705 per Payment Share on June 5, 2020 (the “**Closing Date**”) pro rata to the Shareholders. The Company has also issued 3,000,000 common share purchase warrants (the “**Consideration Warrants**”) pro rata to the Shareholders for the purchase of common shares in the capital of the Company (the “**Shares**”) at a price of \$0.375 until June 5, 2021.

On the Closing Date, the Company granted to Pat Gray, the Chief Executive Officer and a director of HSHC, options for the purchase of up to 1,000,000 Shares at an exercise of \$0.285 per Share on or before June 5, 2025.

In addition, the Company will pay CDN\$5,000,000 in cash on hand or Shares (“**Performance Shares**”) at the discretion of the Company at the time a Milestone Target (as defined below) is met for every CDN\$14,300,000 in gross revenue generated by HSHC effective upon HSHC reaching CDN\$21,430,000 in revenue (“**Milestone Targets**”) up to a maximum of CDN\$286,000,000 in gross revenue or 20 Milestone Targets on or before May 31st, 2025 for total value of up to CDN\$100,000,000 if all Milestone Targets are achieved. The Company may issue up to 26,500,000 Performance Shares in satisfaction of met Milestone Targets if the Company choose to issue Performance Shares instead of cash payment.

2.4 Effect on Financial Position

The Company does not have any current plans or proposals for material changes in its business affairs or the affairs of any of its subsidiaries, including HSHC, which may have a significant effect on the results of operations and financial position of the Company.

2.5 Prior Valuations

Not Applicable

2.6 Parties to the Transaction

The Acquisition was not with an informed person, associate or affiliate of the Company as defined in Section 1.1 of National Instrument 51 – 102 *Continuous Disclosure Obligations*.

2.7 Date of Report

October 5, 2020

Item 3. Financial Statements

The following financial statements are attached to this Business Acquisition Report:

- audited financial statements of HSHC for the year ended May 31, 2020 and the period from incorporation to May 31, 2019.

The Company has obtained the consent of the auditor of HSHC to incorporate the auditor’s report for the audited financial statements of HSHC for the year ended May 31, 2020 and the period from incorporation to May 31, 2019 in this Business Acquisition Report.

FINANCIAL STATEMENTS OF HIGH STANDARD HEALTH CARE LTD.

Financial Statements of

High Standard Health Care Ltd.

For the year ended May 31, 2020 and the period from incorporation to May 31, 2019

(Expressed in United States Dollars)

INDEPENDENT AUDITORS' REPORT

To the Directors of High Standard Health Care Ltd.

Opinion

We have audited the financial statements of High Standard Health Care Ltd. (the "Company") which comprise the statements of financial position as at May 31, 2020 and 2019, and the statements of comprehensive income, changes in equity, and cash flows for the year ended May 31, 2020 and the period from incorporation to May 31, 2019, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2020 and 2019, and its financial performance and its cash flows for the for the year ended May 31, 2020 and the period from incorporation to May 31, 2019 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the 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 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 accompanying financial statements, which describes matters that indicate the existence of a material uncertainty 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, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 audits. We also:

- Identify and assess the risks of material misstatement of the 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

/s/ Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
October 2, 2020

High Standard Health Care Ltd.
Statements of Financial Position
As at May 31, 2020 and 2019
(Expressed in United States Dollars)

	Note	2020	2019
		\$	\$
ASSETS			
Current assets			
Cash		128,844	-
Accounts receivable		144,924	100
		273,768	100
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		102,510	-
Due to related parties	5	171,159	-
		273,668	-
SHAREHOLDERS' EQUITY			
Share capital	4	100	100
Retained earnings		-	-
		100	100
		273,768	100

Nature of business and going concern (Note 1)
Subsequent event (Note 10)

Approved and authorized for issue on behalf of the Board on October 2, 2020

"Alexander Somjen"

Director

The accompanying notes are an integral part of these financial statements

High Standard Health Care Ltd.
Statements of Comprehensive Income
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

	Note	2020	2019
		\$	\$
Revenues	8	2,685,613	-
Cost of goods sold		1,677,065	-
Gross margin		1,008,548	-
Expenses			
Selling and marketing (Note 5)	5	1,008,454	-
Office and general		95	-
Net and comprehensive income		-	-
Net income per share – basic and diluted		\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding – basic and diluted		100	100

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

High Standard Health Care Ltd.
Statements of Changes in Equity
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

	Common shares		Retained earnings	Total
	#	\$	\$	\$
Balance upon incorporation, January 7, 2019	-	-	-	-
Shares issued upon incorporation	100	100	-	100
Net income for the period	-	-	-	-
Balance, May 31, 2019	100	100	-	100
Net income for the year	-	-	-	-
Balance, May 31, 2020	100	100	-	100

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

High Standard Health Care Ltd.
Statements of Cash Flows
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

	2020	2019
	\$	\$
Cash provided by (used in):		
Operating activities		
Net income	-	-
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(144,824)	(100)
Accounts payable and accrued liabilities	102,510	-
Due to related parties	171,159	-
	128,844	(100)
Financing activities		
Shares issued	-	100
Change in cash	128,844	-
Cash - beginning	-	-
Cash - ending	128,844	-
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

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

High Standard Health Care Ltd.
Notes to the Financial Statements
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

High Standard Health Care Ltd. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on January 7, 2019. The address of the Company’s head office and registered office is Suite 3200 – 650 West Georgia Street, Vancouver, BC, V6B 4P7.

The Company is a health care supply company and specializes in procuring personal protective equipment (“PPE”) including but not limited to respiratory masks, hand sanitizer, gowns, infrared thermometers and face shields for hospitals, municipalities, long-term care facilities, fire departments and police departments.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company does not have any working capital and has not earned income from inception. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities, when due, is dependent upon the Company’s ability to execute its business plan which may require additional financing. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

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. The Company’s operations have not been drastically impacted by the pandemic. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.

Basis of measurement and preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value.

The financial statements of the Company for the year ended May 31, 2020 and the period from incorporation to May 31, 2019 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on October 2, 2020.

Functional and presentation currency

The functional and presentation currency of the Company is the United States dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

High Standard Health Care Ltd.
Notes to the Financial Statements
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a. Significant accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the financial statements.

They are as follows:

- The provision of deferred income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities;
- The determination of whether or not the Company's revenue recognition policy has been met;
- The determination of the Company's functional currency involves certain judgements to determine the primary economic environment; and
- The judgment made by management that has a significant effect on the financial statements and estimates with a significant risk of material adjustment is the going concern assumption.

b. Revenue recognition

The Company's revenue is comprised of sales of PPE. The Company records revenues in accordance with IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. The Company recognizes revenues on product sales when the performance obligations relating to the sale of its products are satisfied. The performance obligations are satisfied at a point in time when the customer obtains control of the product, which occurs under IFRS 15 when the product has been delivered to the customer. Certain activities may give rise to deferred revenue, which are contract liabilities under IFRS 15 and relate to payments received in advance of performance under contracts with customers. Contract liabilities are recognized as revenue as (or when) the Company satisfies its performance obligations under the contracts.

c. Accounts receivable

Accounts receivable consist of trade receivables from customers. Trade receivables are recognized initially at fair value less allowances made for doubtful receivables based on a review of period-end trade receivables, and do not carry any interest. An allowance for doubtful trade receivables is generally made when there is objective evidence that the Company will not be able to collect the amounts due according to original payment terms or when there are indications of collection issues related to specific customers. As at May 31, 2020, the Company has not recorded any provision for doubtful accounts.

d. Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. To compute diluted income (loss) per share, adjustments are made to common shares outstanding, if applicable. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at the time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. If this computation is anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share. For the periods presented, this calculation proved to be anti-dilutive.

High Standard Health Care Ltd.
Notes to the Financial Statements
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss 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.

Deferred tax is recorded using 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. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they are unlikely to 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 the underlying assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it does not recognize the asset.

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.

f. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

g. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company’s financial instruments are valued.

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

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based upon observable market data.

High Standard Health Care Ltd.
Notes to the Financial Statements
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial instruments (continued)

Cash is carried at fair value using a level 1 fair value measurement.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.
- Fair value through OCI (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

Cash is measured at FVTPL and accounts receivable are measured at amortized cost. The Company has not designated any financial assets as FVOCI.

Financial liabilities

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its accounts payable and due to related parties as amortized cost.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

High Standard Health Care Ltd.
Notes to the Financial Statements
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial instruments (continued)

Credit loss

The Company applies the simplified approach to trades receivables and calculates expected credit losses (“ECLs”) based on lifetime expected credit losses taking into considerations historical credit loss experience and general economic conditions. When the carrying amount of financial assets are reduced through an ECL allowance, this is recognized in the statements of comprehensive income.

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. There are presently no new standards, interpretations and amendments to existing standards which may have a significant impact on the Company’s financial statements.

NOTE 4 – SHARE CAPITAL

Common shares

The Company’s authorized capital consists of an unlimited numbers of common shares without par value. As at May 31, 2020, there were 100 issued and outstanding common shares.

During the period from incorporation to May 31, 2019:

- a) The Company issued 100 common shares upon incorporation for gross proceeds of \$100.

There were no share capital transactions during the year ended May 31, 2020.

NOTE 5 – RELATED PARTY TRANSACTIONS AND BALANCES

During the year ended May 31, 2020, the Company incurred sales and marketing fees of \$469,731 from an entity controlled by a director and officer of the Company and \$538,722 from a former director and a former officer of the Company.

As at May 31, 2020, the Company has a balance due to a director and officer and entities controlled by a director and officer totaling \$171,158 (2019 - \$Nil). The amounts due to related parties are unsecured, have no terms of repayment and non-interest bearing.

Key Management personnel compensation

Key management personnel consist of officers and directors of the Company. No remuneration was paid during the year ended May 31, 2020 and the period from incorporation to May 31, 2019 to any key management personnel

NOTE 6 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company’s financial instruments consist of cash, accounts receivable, accounts payable and due to related parties. The carrying value of these financial instruments approximates their fair values due to their immediate or short-term maturity.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash and cash equivalents is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

High Standard Health Care Ltd.
Notes to the Financial Statements
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

NOTE 6 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as follows:

	Fair Value Measurements Using			May 31, 2020
	Level 1	Level 2	Level 3	
Cash	\$ 128,844	–	–	\$ 128,844

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts.

The Company's accounts receivable are monitored on an ongoing basis for impairment and the Company has collected all outstanding trade receivables for May 31, 2020.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management and ensuring that sufficient financial resources to meet liabilities as they come due. As at May 31, 2020, the Company has a working capital of \$Nil. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

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

Interest Rate Risk

The Company does not have any financial assets exposed to interest rate risk.

Price Risk

Price risk is the risk associated with equity prices. The Company closely monitors equity prices to determine the appropriate course of action to be taken by the Company.

Foreign exchange risk

The Company's functional and reporting currency is the United States dollar. The Company's transactions are predominantly in United States dollars. As a result, the Company's exposure to foreign currency risk is minimal

NOTE 7 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company has no surplus as at May 31, 2020. There were no changes to the Company's approach to capital management during the year ended May 31, 2020. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations

High Standard Health Care Ltd.
Notes to the Financial Statements
For the year ended May 31, 2020 and the period from incorporation to May 31, 2019
(Expressed in United States Dollars)

NOTE 8 – SEGMENTED REPORTING

Operating segments are identified based on internal reports that are regularly reviewed by the Company's chief operating decision maker, the Chief Executive Officer. The Company has a single reporting segment which is the sale of PPE.

Information about geographic areas

All of the Company's revenues from external customers are generated in the United States of America.

Information about major customers

During the year ended May 31, 2020, the Company earned 77% of its revenue from one customer.

NOTE 9 – INCOME TAX

In assessing deferred income tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and concluding the deferred tax assets were not realized.

	2020	2019
Canadian statutory income tax rate	27%	27%
	\$	
Income tax payable at statutory rate	-	-
Effect on income taxes of:		
Change in unrecognized deferred tax assets	-	-
Income taxes payable (recoverable)	-	-

The nature and effect of the Company's deferred tax assets is as follows:

	2020	2019
	\$	\$
Non capital losses carried forward	-	-
Deferred tax assets not recognized	-	-
Net deferred tax asset	-	-

NOTE 10 – SUBSEQUENT EVENT

On June 5, 2020, the Company's shareholders sold 70% of the issued and outstanding common shares of the Company to Global Care Capital Inc., a publicly listed company trading on the Canadian Securities Exchange.