

**EAGLE I CAPITAL CORPORATION**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED**

**FEBRUARY 28/29, 2021 AND 2020**

(EXPRESSED IN CANADIAN DOLLARS)

**Notice to Reader**

The accompanying unaudited condensed interim financial statements of Eagle I Capital Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

# Eagle I Capital Corporation

## INTERIM FINANCIAL STATEMENTS

February 28/29, 2021 and 2020

(EXPRESSED IN CANADIAN DOLLARS)

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EAGLE I CAPITAL CORPORATION  
**INTERIM STATEMENTS OF FINANCIAL POSITION**  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)  
AS AT FEBRUARY 28, 2021 AND MAY 31, 2020

|   | Notes | February 28,<br>2021<br>\$ | May 31,<br>2020<br>\$ |
|---|-------|----------------------------|-----------------------|
| <b>ASSETS</b>                                     |       |                            |                       |
| <b>CURRENT</b>                                    |       |                            |                       |
| Cash  |       | 91,800                     | -                     |
| GST/HST Receivable                                |       | 200                        |                       |
| <b>TOTAL ASSETS</b>                               |       | <u>92,000</u>              | <u>-</u>              |
| <b>LIABILITIES</b>                                |       |                            |                       |
| <b>CURRENT LIABILITIES</b>                        |       |                            |                       |
| Accounts payable and accrued liabilities          |       | 46,519                     | 8,500                 |
| <b>NON-CURRENT LIABILITIES</b>                    |       |                            |                       |
| Other payables                                    | 6     | 300,884                    | 300,884               |
|   |       | <u>347,403</u>             | <u>309,384</u>        |
| <b>SHAREHOLDERS' EQUITY</b>                       |       |                            |                       |
| <b>SHARE CAPITAL</b>                              | 3(b)  | 1,856,127                  | 1,756,127             |
| <b>RESERVES</b>                                   |       | 108,300                    | 108,300               |
| <b>DEFICIT</b>                                    |       | <u>(2,219,830)</u>         | <u>(2,173,811)</u>    |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                 |       | <u>(255,403)</u>           | <u>(309,384)</u>      |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |       | <u>92,000</u>              | <u>-</u>              |
| <b>NATURE OF OPERATIONS AND GOING CONCERN</b>     | 1     |                            |                       |

**APPROVED ON BEHALF OF THE BOARD**

|                   |          |
|-------------------|----------|
| "Michael Lerner"  | Director |
| "Harvey McKenzie" | Director |

See the accompanying notes to the interim financial statements

EAGLE I CAPITAL CORPORATION  
**INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)  
FOR THE NINE MONTHS ENDED FEBRUARY 28/29

|  | Three months ended<br>February 28/29 |           | Nine months ended<br>February 28/29 |           |
|--|--------------------------------------|-----------|-------------------------------------|-----------|
|  | 2021                                 | 2020      | 2021                                | 2020      |
|  | \$                                   | \$        | \$                                  | \$        |
| <b>EXPENSES</b>  |                                      |           |                                     |           |
| Public company fees  | -                                    | -         | 3,250                               | -         |
| General and Administrative   | -                                    | -         | 750                                 | -         |
| Professional fees  | 22,269                               | -         | 42,019                              | -         |
| <b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>                        | 22,269                               | -         | 46,019                              | -         |
| <b>NET LOSS PER SHARE - Basic and diluted</b>                                | 0.00                                 | 0.00      | 0.00                                | 0.00      |
| <b>WEIGHTED AVERAGE NUMBER OF SHARES<br/>OUTSTANDING - Basic and diluted</b> | 49,965,000                           | 9,965,500 | 25,935,696                          | 9,965,500 |

See the accompanying notes to the interim financial statements

EAGLE I CAPITAL CORPORATION  
**INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)  
FOR THE NINE MONTHS ENDED FEBRUARY 28/29, 2021 AND 2020

|                             | <b>Capital<br/>Stock<br/>#</b> | <b>Capital<br/>Stock<br/>\$</b> | <b>Reserves<br/>\$</b> | <b>(Deficit)<br/>\$</b> | <b>Total<br/>\$</b> |
|-----------------------------|--------------------------------|---------------------------------|------------------------|-------------------------|---------------------|
| BALANCE, MAY 31, 2019       | 9,965,500                      | 1,756,127                       | 108,300                | (2,165,311)             | (300,884)           |
| Loss and comprehensive loss | -                              | -                               | -                      | -                       | -                   |
| BALANCE, FEBRUARY 29, 2020  | 9,965,500                      | 1,756,127                       | 108,300                | (2,165,311)             | (300,884)           |
| Loss and comprehensive loss | -                              | -                               | -                      | (8,500)                 | (8,500)             |
| BALANCE, MAY 31, 2020       | 9,965,500                      | 1,756,127                       | 108,300                | (2,173,811)             | (309,384)           |
| Private placement for cash  | 40,000,000                     | 100,000                         | -                      | -                       | 100,000             |
| Loss and comprehensive loss | -                              | -                               | -                      | (46,019)                | (46,019)            |
| BALANCE, FEBRUARY 28, 2021  | 49,965,500                     | 1,856,127                       | 108,300                | (2,219,830)             | (155,403)           |

See the accompanying notes to the interim financial statements

EAGLE I CAPITAL CORPORATION  
**INTERIM STATEMENTS OF CASH FLOWS**  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)  
FOR THE NINE MONTHS ENDED FEBRUARY 28/29, 2021 AND 2020

|  | <b>2021</b>    | <b>2020</b> |
|--|----------------|-------------|
|  | <b>\$</b>      | <b>\$</b>   |
| <b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>       |                |             |
| Net loss and comprehensive loss for the period       | (46,019)       | -           |
| Changes in non-cash components of working capital    |                |             |
| Decrease in GST/HST receivable                       | (200)          |             |
| Increase in accounts payable and accrued liabilities | 38,019         | -           |
| <b>Cash flow used in operating activities</b>        | <b>(8,200)</b> | <b>-</b>    |
| <b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>   |                |             |
| Issuance of share capital                            | 100,000        | -           |
| <b>Cash flow provided by financing activities</b>    | <b>100,000</b> | <b>-</b>    |
| <br>   |                |             |
| <b>Increase in cash for the period</b>               | <b>91,800</b>  | <b>-</b>    |
| <b>CASH, beginning of the year</b>                   | <b>-</b>       | <b>-</b>    |
| <b>CASH, end of the period</b>                       | <b>91,800</b>  | <b>-</b>    |

See the accompanying notes to the interim financial statements

**EAGLE I CAPITAL CORPORATION**  
**Notes to Interim Financial Statements**  
**Nine months ended February 28/29, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Eagle I Capital Corporation (“Eagle I” or the “Company”) was incorporated on October 23, 2007 under the Business Corporations Act of British Columbia. Currently the Company is actively pursuing potential business opportunities. The Company’s head office is located at 1049 Chico Street West, Suite 405, Vancouver, British Columbia, V6G 2R7.

These financial statements of the Company were approved and authorized for issue by the Board of Directors (the “Board”) on April 28, 2021.

In October 2008, the Company filed a prospectus with the British Columbia and Alberta Securities Commissions offering 1,500,000 common shares at \$0.20 per share as an initial public offering (the “IPO”). In January 2009, the Company received conditional listing approval from the TSX Venture Exchange (the “Exchange”) and closed IPO for gross proceeds of \$300,000.

The Company began trading its shares on the Exchange on January 14, 2009 under the trading symbol “EIC.P”. The symbol was changed to “EIC” on September 30, 2010 after completion of the qualifying transaction, as described below.

On September 30, 2010, Eagle I invested in Miguel’s Product, LLC (“Miguel’s”), a food snacks business. The acquisition of Miguel’s constituted the Company’s qualifying transaction under the policies of the Exchange.

The business was not successful and was voluntarily liquidated. On June 22, 2011, the Company received a delinquent filer notice from the British Columbia Securities Commission for failure to file its quarterly financial results. The Company did not remedy the delinquency and on August 19, 2011, the Executive Director of the British Columbia Securities Commission (the “BCSC”) issued a cease trade order pursuant to section 164 of the Securities Act (British Columbia) (the “BC Act”), directing that all trading in the securities of Eagle I cease until the order is revoked by the Executive Director (the “BC Cease Trade Order”). The Alberta Securities Commission (the “ASC”) issued a cease trade order dated November 17, 2011 directing that all trading in the securities of Eagle I cease until the order is revoked or varied by the ASC (the “AB Cease Trade Order”; together with the BC Cease Trade Order, the “CTOs”). On October 20<sup>th</sup>, 2020 the ASC and BCSC issued a partial revocation of the CTO’s to allow the Company to complete a private placement of up to 58,000,000 common shares for gross proceeds of \$145,000 (the “**Private Placement**”). On November 11, 2020, the Company closed the Private Placement for gross proceeds of \$100,000 through the issuance of 40,000,000 common shares.

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**(Expressed in Canadian Dollars)**

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 net loss of \$46,019 for the period ended February 28, 2021 (year ended May 31, 2020 – loss of \$8,500) and a deficit of \$2,219,830 as at ended February 28, 2021 (May 31, 2020 - \$2,173,811). 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.

Further, On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

**2. SIGNIFICANT ACCOUNTING POLICIES**

(a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited interim financial statements are based on IFRS issued and outstanding as of April 28, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these interim financial statements as compared with the most recent annual financial statements as at and for the year ended May 31, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending May 31, 2021 could result in restatement of these interim financial statements.

(b) Basis of consolidation

These consolidated financial statements include the accounts of Eagle I Capital Corporation.



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**Notes to Interim Financial Statements**  
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(c) Basis of preparation and presentation

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. The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(d) 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.

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(e) 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. See Notes 3(c), and (d) for details on the Company's potentially dilutive securities. The Company had no outstanding stock options for the periods ended February 28/29, 2021 and 2020.

(f) Significant accounting judgements and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgments

- the measurement of income taxes payable and deferred tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets;
- going concern presentation of the financial statements which assumes 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; and
- management's determination that the functional currency of the Company is the Canadian Dollar.

(g) 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

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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.

(h) Financial Instruments

IFRS 9 - Financial Instruments ("IFRS 9") includes finalized guidance on the classification and measurement of financial assets under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement, for the classification and measurement of financial liabilities.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Corporation can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

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**(Expressed in Canadian Dollars)**

The following table summarizes the classification and measurement for each financial instrument:

| Financial Instrument                     | Classification |
|--|----------------|
| Cash                                     | FVTPL          |
| Amounts receivable                       | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

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).

(i) New accounting standards adopted during the year

On June 7, 2017, the IASB issued IFRIC - 23 Uncertainty Over Income Tax Treatments ("IFRIC 23"). IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. IFRIC 23 is applicable for annual periods beginning on or after January 1, 2019. At June 1, 2019, the Corporation adopted this standard and there was no material impact on the Corporation's financial statements.

On January 13, 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"). The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 - Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. As

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the Corporation has no material lease contracts that fall under IFRS 16, the adoption of this standard has not resulted in any material changes in the financial statements.

**3. CAPITAL STOCK**

The capital stock is as follows:

- (a) Authorized  
 Unlimited number of common shares  
 Unlimited number of preferred shares, issuable in series
- (b) Issued

|                            | <b>Common Shares</b> | <b>Amount</b> |
|----------------------------|----------------------|---------------|
|                            | <b>#</b>             | <b>\$</b>     |
| Balance, May 31, 2020      | 9,965,500            | 1,756,127     |
| Private placement for cash | 40,000,000           | 100,000       |
| Balance, February 28, 2021 | 49,965,500           | 1,856,127     |

On November 11, 2020 the Company issued 40,000,000 common shares for proceeds of \$100,000. The shares were purchased by one investor. After the share purchase, the investor held 80.05% of the issued and outstanding shares of the Company.

- (c) Stock Options

The Company does not have stock options outstanding at February 28, 2021 or May 31, 2020.

- (d) Warrants

As of February 28, 2021 and May 31, 2020 there were no outstanding warrants to purchase common shares of the Company.

**4. 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.

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**(Expressed in Canadian Dollars)**

During the nine-months ended February 28, 2021, the Company paid one director a fee of \$750. The Company did not report any other remuneration of directors and key management personnel for the nine-month periods ended February 28/29, 2021 or 2020.

Included in statute barred liabilities at February 28, 2021 is \$26,392 (May 31, 2020 - \$26,392) due to former directors and officers of the Company.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties. The amounts payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

**5. FINANCIAL RISK FACTORS**

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's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash, and financial instruments included in amounts receivable is remote.

(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 \$91,800 (May 31, 2020 - \$Nil) available to settle current liabilities of \$46,519, (May 31, 2020 - \$8,500). The Company's accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

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**(Expressed in Canadian Dollars)**

(i) Interest Rate Risk

The Company's cash balances are not interest bearing and the Company holds 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

While the Company's functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at February 28, 2021, the Company does not hold foreign currency balances.

**6. OTHER PAYABLES**

During the year ended May 31, 2013, the Company transferred \$300,884 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 relate to liabilities of third parties. Under IFRS, a financial liability can only be derecognized 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 financial liability under IFRS.

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 non-current liabilities as the Company has no intention to pay these Statute-barred Claims and the creditors cannot enforce payment of the Statute-barred Claims.

**7. INCOME TAXES**

This note has not been updated from May 31, 2020.

**8. CAPITAL MANAGEMENT**

The Company manages its capital with the following objectives:

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- to ensure sufficient financial flexibility to achieve the ongoing business objectives; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company's equity comprises of share capital and accumulated deficit, which at February 28, 2021 was \$(155,403) (May 31, 2020 –\$(309,384)).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended February 28, 2021. The Company is not subject to external capital requirements.