EAGLE I CAPITAL CORPORATION

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

NOVEMBER 30, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

Notice to Reader

The accompanying unaudited interim financial statements of Eagle I Capital Corporation (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.

Eagle I Capital Corporation

INTERIM FINANCIAL STATEMENTS

November 30, 2021 and 2020

(EXPRESSED IN CANADIAN DOLLARS)

EAGLE I CAPITAL CORPORATION

INTERIM STATEMENTS OF FINANCIAL POSITION

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

AS AT

	Notes	November 30 2021 $	May 31 2021 $
ASSETS			
CURRENT			
Cash		97,006	38,871
HST recoverable		8,342	3,712
TOTAL ASSETS		105,349	42,583
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		50,315	15,745
Loans payable	4	-	100,000
		50,315	115,745
NON-CURRENT LIABILITIES			
Other payables	6	200,884	200,884
		251,199	316,629
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	3(b)	2,075,016	1,856,127
RESERVES		115,995	108,300
DEFICIT		(2,336,861)	(2,238,473)
TOTAL SHAREHOLDERS' EQUITY		(145,850)	(274,046)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		105,349	42,583
NATURE OF OPERATIONS AND GOING CONCERN	1		

APPROVED ON BEHALF OF THE BOARD

"Ross Mitgang" Director

"Martin Blatt" 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 THREE MONTHS AND SIX MONTHS ENDED NOVEMBER 30

	Three months ended November 30		Six months ended November 30	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
EXPENSES				
Public company fees	4,167	3,250	6,576	3,250
General and Administrative	39	750	37,581	750
Professional fees	34,802	17,500	50,342	19,750
Interest expense	3,889	-	3,889	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	42,898	21,500	98,388	23,750
NET LOSS PER SHARE - Basic and diluted	0.00	0.00	0.00	0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - Basic and diluted	50,927,651	18,225,870	50,443,947	14,118,005

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 PERIODS ENDED NOVEMBER 30, 2021 AND 2020

	Capital Stock #	Capital Stock $	Reserves $	(Deficit) $	Total $
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	-	-	-	(23,750)	(23,750)
BALANCE, NOVEMBER 30, 2020	49,965,500	1,856,127	108,300	(2,197,561)	(233,134)
Loss and comprehensive loss	-	-	-	(40,912)	(40,912)
BALANCE, MAY 31, 2021	49,965,500	1,856,127	108,300	(2,238,473)	(274,046)
Share-based payments	-	-	7,695	-	7,695
Private placement for cash	45,999,994	115,000	-	-	115,000
Shares for debt	41,555,718	103,889	-	-	103,889
Loss and comprehensive loss	-	-	-	(98,388)	(98,388)
BALANCE, NOVEMBER 30, 2021	137,521,212	2,075,016	115,995	(2,336,861)	(145,850)

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 SIX-MONTH PERIODS ENDED NOVEMBER 30,

	2021	2020
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss and comprehensive loss for the period	(98,388)	(23,750)
Share-based payments	7,695	-
Interest for shares	3,889	-
Changes in non-cash components of working capital:		
Increase in GST/HST receivable	(4,630)	-
Increase in accounts payable and accrued liabilities	34,570	19,750
Cash flow used in operating activities	(56,864)	(4,000)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Issuance of share capital	115,000	100,000
Cash flow provided by financing activities	115,000	100,000
Increase in cash and cash equivalents for the period	58,136	96,000
CASH, beginning of the year	38,871	-
CASH AND CASH EQUIVALENTS, end of the period	97,006	96,000

See the accompanying notes to the interim financial statements

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 January 24, 2022.

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 $98,388 for the period ended November 30, 2021 (year ended May 31, 2021 – loss of $64,662) and a deficit of $2,336,388 as at November 30, 2021 (May 31, 2021 - $2, 238,473). 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.

Since January 1, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada and the USA, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded.

At this time, there is no material impact on company's operations and financial results. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the balance sheet and results of operations as of and for the period ended November 30, 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, including the closure of non-essential businesses for an undetermined period of time, remains unclear. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

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 January 24, 2022, 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, 2021. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending May 31, 2022 could result in restatement of these interim financial statements.

(b) 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.

(c) Share-based payment transactions

The fair value of share options granted to employees and non-employees is recognized as an expense over the vesting period with a corresponding increase in shareholders’ equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(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.

(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. Although the Company had stock options outstanding for the period ended November 30, 2021 and the year ended May 31, 2021, these options were not included in the loss per share as the effect was anti-dilutive.

(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

- 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.

Critical accounting estimates

- 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;
- Share-based payments - management determines costs for share-based payments using the Black-Scholes option pricing model. The fair value of the market-based and performance-based share awards are determined at the date of grant and incorporates Black- Scholes input assumption's including the future volatility of the stock price, expected dividend yield, and expected life. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(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 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.

As at November 30, 2021 and May 31, 2021, the Company did not have any provisions.

(h) Financial Instruments

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.

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

Impairment of financial assets:

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

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

IAS 1, Presentation of Financial Statements ("**IAS 1**")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("**IAS 8**")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars - Unaudited)

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

	Common Shares #	Amount $
Balance, May 31, 2020	9,965,500	1,756,127
Private placement for cash	40,000,000	100,000
Balance, May 31, 2021	49,965,500	1,856,127
Private placement for cash	45,999,994	115,000
Shares for debt	41,555,718	103,889
Balance, November 30, 2021	137,521,212	2,075,016

On November 11, 2020, the Company issued 40,000,000 common shares via a private placement 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.

On November 30, 2021, the Company issued 45,999,994 common shares via a private placement for proceeds of $115,000. Also on November 30, 2021 the Company issued 41,555,718 common shares to retire debt of $100,000 and interest of $3,889.

(c) Stock Options

On May 28, 2021, the Company granted 4,996,544 stock options to certain directors, officers and consultants of the Company. Each option is exercisable at $0.006 per share until May 27, 2026. All of the options vested upon date of grant. The estimated fair value of the options was $7,695, measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.0025; exercise price - $0.006; expected life - 5 years; volatility - 100%; dividend yield - $0; and risk-free rate – 0.92%. This fair value was charged to expenses in the period ended August 31, 2021.

The following table summarizes information about share options outstanding and exercisable at November 30, 2021 and May 31, 2021:

(Expressed in Canadian Dollars - Unaudited)

	November 30, 2021		May 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance , beginning of year	4,996,544	$ 0.00	-	$ -
Granted	-	$ -	4,996,544	$ 0.006
Expired	-	$ -	-	$ -
Balance, end of year	4,996,544	$ 0.006	4,996,544	$ 0.006

As at November 30, 2021, the Company has outstanding share options exercisable to acquire 4,996,544 common shares as follows:

Number of Share Options Outstanding	Exercise Price	Expiry Date	Average remaining Contractual life (Years)
4,996,544	$0.006	May 27, 2026	5
4,996,544			5

(d) Warrants

As of November 30, 2021 and May 31, 2021 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.

The Company did not report any remuneration of directors and key management personnel for the period ended November 30, 2021. During the year ended May 31, 2021, the Company paid one director a fee of $750.

As at November 30, 2021, the loan payable of $100,000 and associated interest of $3,889 held by a significant shareholder was converted to shares (May 31, 2021 - $100,000).

Included in statute barred liabilities at November 30, 2021 is $26,392 (May 31, 2021 - $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 November 30, 2021, the Company had cash of $97,006 (May 31, 2021 - $38,871) available to settle current liabilities of $50,315 (May 31, 2021 - $115,745). The Company’s accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(d) 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.

(e) 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 November 30, 2021, the Company does not hold foreign currency balances.

6. OTHER PAYABLES

During the year ended May 31, 2013, the Company transferred $200,884 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, 2021.

8. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- 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 November 30, 2021 was $(145,850) (May 31, 2021 –$(274,046)).

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 November 30, 2021. The Company is not subject to external capital requirements.

9. DEFINITIVE PURCHASE AGREEMENT

On September 7, 2021, the Company announced that it had entered into a definitive share purchase agreement with Adnimation Ltd. (“**Adnimation**”) an innovative SaaS-based monetization service and technology company (the “**Agreement**”). The Agreement contemplates the Company and Adnimation completing a business combination by a way of a transaction that will constitute a reverse takeover of the Company by the shareholders and noteholders of Adnimation (the “**Transaction**”). Pursuant to the terms of the Agreement, the Company will effect a stock split or consolidation (the “**Adjustment**”) of its issued and outstanding common shares prior to the completion of the Transaction (the “**Closing**”) into a number of post-adjustment shares (“**Adjusted Shares**”) that, when multiplied by the Issue Price (as defined herein) will be equal to $2,250,000.

Under the terms of the Letter Agreement, Adnimation is to complete a non-brokered private placement of 8% unsecured convertible notes (“**Adnimation Notes**”) to raise aggregate gross proceeds of $3,433,339 (the “**Adnimation Note Financing**”). Each Adnimation Note will automatically convert into ordinary shares in the capital of Adnimation (“**Adnimation Shares**”) immediately prior to the completion of the Transaction at a conversion price of no less than 0.75 of the Issue Price and no more than 0.8 of the Issue Price and in addition, warrants to be exercised to shares of the company equal to a 50% premium of the price of Subscription Receipts (as defined below). After the completion of the Adnimation Note Financing but before the completion of the Transaction, the Company will complete a public offering of subscription receipts (“**Subscription Receipts**”) at a price per Subscription Receipt (the “**Issue Price**”) to be determined in the context of the market to raise gross proceeds of a minimum of $10,000,000. Prior to the completion of the Transaction, the Company will complete a debt settlement (the “**Eagle Debt Settlement**”) whereby the Company will settle $100,000 in indebtedness by issuing Company Shares at a deemed price of $0.0025 per Company Share.