EAGLE I CAPITAL CORPORATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

MAY 31, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)

Eagle I Capital Corporation

FINANCIAL STATEMENTS

May 31, 2022 and 2021

(EXPRESSED IN CANADIAN DOLLARS)

INDEX	PAGE

Stern & Lovrics LLP
Chartered Professional Accountants

Samuel V. Stern, BA, CPA, CA
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CPA (Illinois)

Nazli Dewji, BA, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Eagle I Capital Corporation

Opinion

We have audited the financial statements of Eagle I Capital Corporation (the "Company"), which comprise the statements of financial position as at May 31, 2022 and May 31, 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2022 and May 31, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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.

Emphasis of Matter

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $149,867 for the year ended May 31, 2022 (2021 - $64,662) and has incurred cumulative losses from inception in the amount of $2,388,340 at May 31, 2022. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

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 audit 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 in this auditor's report. 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 IFRS, 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is George G. Lovrics.

Stern & Lovrics LLP

Toronto, Ontario
September 28, 2022

Chartered Professional Accountants
Licensed Public Accountants

EAGLE I CAPITAL CORPORATION

STATEMENTS OF FINANCIAL POSITION

(EXPRESSED IN CANADIAN DOLLARS)

AS AT MAY 31

	Notes	2022 $	2021 $
ASSETS			
CURRENT			
Cash		14,290	38,871
HST recoverable		-	3,712
TOTAL ASSETS		14,290	42,583
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		10,735	15,745
Loans payable	4	-	100,000
		10,735	115,745
NON-CURRENT LIABILITIES			
Other payables	6	200,884	200,884
		211,619	316,629
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	3(b)	2,075,016	1,856,127
RESERVES		115,995	108,300
DEFICIT		(2,388,340)	(2,238,473)
TOTAL SHAREHOLDERS' EQUITY		(197,329)	(274,046)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		14,290	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 financial statements

EAGLE I CAPITAL CORPORATION
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED MAY 31

	2022 $	2021 $
EXPENSES		
Interest	3,889	-
General and administrative	71,411	750
Public company fees	10,769	6,453
Professional fees	63,798	57,459
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	149,867	64,662
NET LOSS PER SHARE - Basic and diluted	0.00	0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - Basic and diluted	93,623,417	31,992,397

See the accompanying notes to the financial statements

EAGLE I CAPITAL CORPORATION

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(EXPRESSED IN CANADIAN DOLLARS)

FOR THE YEARS ENDED MAY 31, 2022 AND 2021

	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	-	-	-	(64,662)	(64,662)
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	-	-	-	(149,867)	(149,867)
BALANCE, MAY 31, 2022	137,521,212	2,075,016	115,995	(2,388,340)	(197,329)

See the accompanying notes to the financial statements

EAGLE I CAPITAL CORPORATION
STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED MAY 31,

	2022	2021
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss and comprehensive loss for the year	(149,867)	(64,662)
Share-based payments	7,695	-
Interest	3,889	-
Changes in non-cash components of working capital		
Increase (decrease) in HST recoverable	3,712	(3,712)
Increase (decrease) in accounts payable and accrued liabilities	(5,010)	7,245
Cash flow used in operating activities	(139,581)	(61,129)
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 (Decrease) in cash for the year	(24,581)	38,871
CASH, beginning of the year	38,871	-
CASH, end of the year	14,290	38,871

See the accompanying notes to the 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 September 28, 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 $149,867 for the year ended May 31, 2022 (year ended May 31, 2021 – loss of $64,662) and a deficit of $2,388,340 as at May 31, 2022 (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 the 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 year ended May 31, 2022 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

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

(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 year ended May 31, 2022, the Company was in a loss position and the options were not 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 May 31, 2022 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 Company 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

New standards adopted

Amendment to IAS 16 - Property, Plant and Equipment

In 2020, the IASB published Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16) ("IAS 16 amendments") which applies to annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The Company has elected to early adopt these IAS 16 amendments effective June 1, 2021, and has applied the IAS 16 amendments retrospectively with no material impact on the Company's financial statements.

These IAS 16 amendments prohibit the deduction from the cost of an item of property, plant and equipment any net proceeds received from the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the Company recognizes the proceeds from the sale of such items, and the cost of producing those items in the condensed consolidated statement of loss and comprehensive loss.

New standards and interpretations not yet adopted

The standards and interpretation that are issued, but not effective, and is currently evaluating their impact on the Company's financial statements.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

Clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period" and clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability making clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

<u>Reference to the Conceptual Framework – Amendments to IFRS 3</u>

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

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

(Expressed in Canadian Dollars)

	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, May 31, 2022	137,521,212	2,075,016

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.

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%. Share based compensation expense of $7,695 was recognized in general and administrative expenses on June 1, 2022.

The following table summarizes information about share options outstanding and exercisable at May 31, 2022 and May 31, 2021:

	May 31, 2022		May 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance , beginning of year	4,996,544	$ 0.006	-	$ -
Granted	-	-	4,996,544	0.006
Expired	-	-	-	-
Balance, end of year	4,996,544	$ 0.006	4,996,544	$ 0.006

(Expressed in Canadian Dollars)

As at May 31, 2022 and 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	4
4,996,544			4

(d) Warrants

As of May 31, 2022 and 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.

During the year ended May 31, 2022, the Company paid management fees of $45,733 to a company owned by the CEO. During the year ended May 31, 2021, the Company paid one director a fee of $750.

As at May 31, 2021, a significant shareholder held a non-interest loan payable of $100,000. This loan and $3,889 of accrued interest was converted to common shares in the year ended May 31, 2022.

Included in statute barred liabilities at May 31, 2022 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 May 31, 2022, the Company had cash of $14,290 (May 31, 2021 - $38,871) available to settle current liabilities of $10,735 (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 May 31, 2022, the Company does not hold foreign currency balances.

6. OTHER PAYABLES

(Expressed in Canadian Dollars)

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

(a) The items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2021 – 26.5%) are as follows:

	2022 **$**	**2021** **$**
Loss before income taxes	149,867	64,662
Expected income tax recovery	39,715	17,135
Adjustments to benefit resulting from:		
Benefit of tax losses not recognized	(39,715)	(17,135)
Deferred income tax recovery	-	-

(b) Tax benefits from non-capital loss carry-forwards have not been recorded in the financial statements. These losses, which may reduce taxable income in future years, amount to approximately $1,300,000 and expires as follows:

Year	**Amount ($)**
2028	5,000
2029	119,000
2030	455,000

(Expressed in Canadian Dollars)

2031	393,000
2032	40,000
2033	25,000
2034	25,000
2025	25,000
2040	8,000
2041	65,000
2042	140,000
	1,300,000

(c) Unrecognized deferred tax assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2021	**2020**
	$	**$**
Non-capital loss carry-forwards	1,300,000	1,150,000
Capital loss carry-forwards	1,189,000	1,189,000
Total	2,489,000	2,339,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

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 May 31, 2022 was $(197,329) (May 31, 2021 –$(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 year ended May 31, 2022. The Company is not subject to external capital requirements.

9. SUBSEQUENT EVENTS

(a) On July 8, 2022, the Company signed a letter of intent (the "**LOI**") with Weekapaug Lithium Inc. ("**Weekapaug**") in respect of a proposed business combination (the "**Transaction**"). It is currently anticipated that the Transaction will occur as a share exchange, merger, or amalgamation and the final structure of the Transaction will be subject to receipt of tax, corporate and securities law advice for both Eagle I and Weekapaug. Upon completion of the Transaction, the combined entity (the "**Resulting Issuer**") will continue to carry on the business of Weekapaug. It is expected that upon completion of the Transaction, the Resulting Issuer will apply to list its common shares for trading on the Canadian Securities Exchange (the "**CSE**").

(b) On August 26, 2022, Tower Capital Corporation (the "**Acquiror**") acquired 625,000 common shares in the capital of the Company (the "**Common Shares**"). The Common Shares were offered and purchased from two shareholders of the Company at a price of $0.0025 per Common Shares for an aggregate purchase price of $62,7000.

Immediately before the acquisition, the Acquiror, directly or indirectly held nil Common Shares. Immediately following the acquisition, the Acquiror, directly or indirectly owns and controls 14,076,548 Common Shares, being approximately 10.24% of the issued and outstanding Common Shares.