BETHPAGE CAPITAL CORP.

Financial Statements

December 31, 2018

Presented in Canadian dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bethpage Capital Corp.

Opinion

We have audited the financial statements of Bethpage Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive loss, changes in 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 December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that, as at December 31, 2018, the Company had a net working capital deficiency of $124,644 and an accumulated deficit of $851,383. As stated in Note 1, this event or condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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 Barry Hartley.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 17, 2019

BETHPAGE CAPITAL CORP.

Statements of Financial Position
(Presented in Canadian dollars)

		December 31, 2018		December 31, 2017
Assets				
Current assets				
Cash	$	2,658	$	29,527
Receivables (Note 3)		4,780		738
Total assets	$	7,438	$	30,265
Liabilities and equity				
Current liabilities				
Accounts payable and accrued liabilities (Note 4)	$	132,082	$	6,616
Equity				
Share capital (Note 5)		571,959		571,959
Reserves (Note 5)		154,780		154,780
Deficit		(851,383)		(703,090)
Total equity		(124,644)		23,649
Total liabilities and equity	$	7,438	$	30,265

Nature and continuance of operations (Note 1)
Subsequent events (Note 10)

These financial statements have been approved by the Board of directors and authorized for issue on April 17, 2019.

Vince Sorace
Vince Sorace, Director

Gavin Cooper
Gavin Cooper, Director

BETHPAGE CAPITAL CORP.
Statements of Comprehensive Loss
(Presented in Canadian dollars)

	Year ended December 31, 2018	Year ended December 31, 2017
Expenses		
Accounting and audit	$ 12,450	$ 8,400
Legal	97,732	7,133
Regulatory and listing fees	14,106	13,006
General and administrative	24,107	18,400
Management fees (Note 7)	-	5,000
	148,395	51,939
Other items		
Interest income	102	144
Comprehensive loss	$ (148,293)	$ (51,795)
Basic and diluted loss per share	$ (0.02)	$ (0.01)
Weighted average number of shares outstanding (Notes 5)	8,900,000	8,806,849

The accompanying notes are an integral part of these financial statements

BETHPAGE CAPITAL CORP.
Statement of Changes in Equity
(Presented in Canadian dollars)

	Share capital			Reserves						
	Common shares		Amount		Stock- based compensation		Warrant		Deficit		Total equity
Balance, December 31, 2016	8,400,000	$	525,020	$	58,306	$	96,474	$	(651,295)	$	28,505
Shares issued for cash (Note 5)	500,000		46,939		–		–		–		46,939
Comprehensive loss	–		–		–		–		(51,795)		(51,795)
Balance, December 31, 2017	8,900,000		571,959		58,306		96,474		(703,090)		23,649
Comprehensive loss	–		–		–		–		(148,293)		(148,293)
Balance, December 31, 2018	**8,900,000**	**$**	**571,959**	**$**	**58,306**	**$**	**96,474**	**$**	**(851,383)**	**$**	**(124,644)**

The accompanying notes are an integral part of these financial statements

BETHPAGE CAPITAL CORP.
Statements of Cash Flows
(Presented in Canadian dollars)

	Year ended December 31, 2018	Year ended December 31, 2017
Cash provided by (used in):		
Operating activities		
Net loss	$ (148,293)	$ (51,795)
Changes in non-cash working capital items:		
Receivables	(4,042)	(359)
Accounts payable and accrued liabilities	125,466	220
Net cash used in operating activities	(26,869)	(51,934)
Financing activities:		
Shares issued for cash	-	46,939
Net cash from financing activities	-	46,939
Change in cash	(26,869)	(4,995)
Cash, beginning	29,527	34,522
Cash, ending	$ 2,658	$ 29,527

The accompanying notes are an integral part of these financial statements

1. Nature and continuance of operations

Bethpage Capital Corp. (the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on May 13, 2010. The Company is currently evaluating investment opportunities (see Note 10). The Company is domiciled in Canada and its registered office is at Suite 717 – 1030 West Georgia Street, Vancouver, BC.

Pursuant to a prospectus filed with the British Columbia and Alberta Securities Commissions, the Company completed an Initial Public Offering ("IPO") on June 19, 2012 and its shares were listed for trading on the TSX Venture Exchange (the "Exchange"), as a Tier 2 issuer on June 21, 2012. On October 20, 2016 the Company's listing transferred to the NEX Board of the Exchange under the symbol "BET.H".

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at December 31, 2018, the Company had no sources of revenue and is not able to finance day to day activities through operations. As at December 31, 2018, the Company had a net working capital deficiency of $124,644 and an accumulated deficit of $851,383. The Company's continuation as a going concern is dependent upon its ability to identify a suitable investment opportunity and raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash in hand, loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. Significant accounting policies

(a) Basis of preparation and statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on accrual basis, based on historical costs. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation asset, fair value of stock-based compensation, and deferred income tax asset valuation allowance.

2. Significant accounting policies (continued)

(b) Use of estimates and judgments (continued)

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

(c) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(e) Financial instruments

Newly adopted accounting standards

The Company adopted all of the requirements of IFRS 9 Financial Instruments on January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash	FVTPL	FVTPL
Accounts payable	Amortized cost	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on January 1, 2018.

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

(f) Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

(g) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the stock-based compensation reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(Presented in Canadian dollars)

2. Significant accounting policies (continued)

(h) New accounting standards issued but not yet effective

IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of the adoption of this standard on its financial statements.

3. Receivables

	December 31, 2018	December 31, 2017
GST receivable	$ 4,780	$ 664
Other receivables	-	74
	$ 4,780	$ 738

4. Accounts payable and accrued liabilities

	December 31, 2018	December 31, 2017
Trade accounts payable	$ 122,082	$ 616
Accrued liabilities	10,000	6,000
	$ 132,082	$ 6,616

5. Share capital

(a) Common shares

Authorized: unlimited common shares without par value.

Issued: At December 31, 2018, there were 8,900,000 issued and fully paid common shares (December 31, 2017 – 8,900,000).

On March 9, 2017, the Company closed a private placement and issued 500,000 common shares at a price of $0.10 per share for gross proceeds of $50,000. The Company incurred costs of $3,061 relating to the private placement.

(b) Warrants

As at December 31, 2018, the Company had no outstanding warrants.

(c) Stock options

On November 9, 2011, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, key employees and consultants to the Company, options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued an outstanding. Such options will be exercisable for a period of up to 10 years from the date of

(Presented in Canadian dollars)

5. Share capital (continued)

(c) Stock options (continued)

grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2016	575,000	$ 0.15
Expired	(350,000)	$ 0.15
Outstanding at December 31, 2017 and 2018	225,000	$ 0.15

The weighted average contractual life of the options outstanding is 3.47 years.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2018:

Number of Shares	Exercise Price	Expiry date	Exercisable
225,000	$0.15	June 21, 2022	225,000

(d) Reserves

Stock-based compensation reserve

The stock-based compensation reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant reserve

The warrant reserve records the value recorded for warrants issued until such time the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

6. Income taxes

The actual income tax provision differs from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are estimated as follows:

(Presented in Canadian dollars)

6. Income taxes (continued)

	2018	2017
Loss before income taxes	$ (148,293)	$ (51,795)
Corporate tax rate	27.0%	26.0%
Expected tax recovery at statutory rates	(40,039)	(13,467)
Decrease (increase) resulting from:		
Non-deductible items	289	(796)
Change in rate	(7,364)	-
Deferred tax assets not recognized	47,114	14,263
Income tax recovery	$ -	$ -

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows:

	2018	2017
Potential deferred income tax assets:		
Non-capital losses available	$ 197,355	$ 151,608
Share issue costs and other	41,216	39,849
Net potential deferred income tax assets	238,571	191,457
Valuation allowance	(238,571)	(191,457)
Deferred income tax assets	$ -	$ -

Non-capital losses expire as follows:

	Canadian non-capital losses
2031	$ 59,440
2032	85,588
2033	134,057
2034	118,925
2035	73,650
2036	57,973
2037	52,407
2038	148,905
	$ 730,945

Management has determined that there is insufficient likelihood of recovery to record a benefit arising from potential tax assets. Accordingly a 100% valuation allowance has been applied.

7. Related Party Transactions

During the year ended December 31, 2018, the Company incurred $nil (2017 - $5,000) in management fees to the officer of the Company.

8. Financial instruments and risks

(a) Fair values

The fair values of cash, receivables and accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

8. Financial instruments and risks (continued)

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. Credit risk is assessed as low.

(d) Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has no assets or liabilities denominated in foreign currencies; therefore, is not exposed to foreign exchange risk.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on terms acceptable to the Company. Liquidity risk is assessed as high.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. Price risk is assessed as low.

9. Capital management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent on external financing to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

10. Subsequent events

The Company entered into an Amalgamation Agreement dated effective February 28, 2019, pursuant to which the Company will acquire all of the issued and outstanding securities of Green Star Biosciences Inc. ("Green Star") in exchange for securities of the Company.

10. Subsequent events (continued)

The proposed transaction is expected to be carried out by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia). The Company will consolidate its common shares on a one for two basis. The transaction is subject to, among other things, receipt of the requisite shareholder approvals and regulatory approvals, including approval of the Exchange and the CSE.

For purposes of the proposed transaction, the Company registered a new, wholly-owned subsidiary company, 2173969 Alberta Ltd., incorporated on February 21, 2019.

Pursuant to the transaction, and following the consolidation, the issued and outstanding common shares of Green Star will be exchanged for common shares of the Company on a one-for-one basis.

The Company intends to change the name of the Company to Green Star Biosciences Corp. The name change will take place upon closing of the transaction.