FORM 51-102F4
BUSINESS ACQUISITION REPORT

Item 1: Identity of Company

1.1 Name and Address of Company

PlantFuel Life Inc. (the "**Company**")
2500 Meadowpine Blvd., Unit 202
Mississauga, ON L5N 6C4

1.2 Executive Officer

Brian Polla,
CEO, COO and Director
T: 416.669.9392

Item 2: Details of Acquisition

2.1 Nature of Business Acquired

Pursuant to the Company's news releases dated February 9, 2021, February 23, 2021, March 3, 2021 and March 15, 2021, the Company completed the acquisition of Denver-based PlantFuel, Inc. ("**PlantFuel**") effective March 12, 2021, and PlantFuel became a wholly-owned operating subsidiary of the Company (the "**Transaction**"). The Company plans to grow its Fusion line of performance supplement products, while concurrently aiming to grow and launch existing and new product lines under the PlantFuel brands.

PlantFuel was incorporated in the State of Delaware, U.S.A. on April 15, 2020. PlantFuel is a private company focused on delivering PLANT FUELED™ nutritional supplements to consumers. PlantFuel utilizes a multi-approach: a process including world-class formulations, and using clinically proven, banned substance-free ingredients that do not compromise on flavor, digestion quality, or performance output. Additionally, PlantFuel has developed plastic-free, PLANT FUELED™ packaging for its products.

2.2 Acquisition Date

March 12, 2021.

2.3 Consideration

On March 2, 2021, the Company, PlantFuel and each shareholder of PlantFuel (the "**PlantFuel Shareholders**") entered into a definitive binding share exchange agreement, whereby the Company agreed to acquire 100% of the issued and outstanding common shares of PlantFuel (each a "**PlantFuel Share**") (the "**Acquisition**").

As consideration for the Acquisition, each PlantFuel Shareholder received 6,500 common shares of the Company (each a "**Consideration Share**" or "**Share**") on a *pro rata* basis for every one PlantFuel Share held, at a deemed value of $0.15 per Consideration Share, for total aggregate consideration of $9,750,000.

On closing of the Acquisition, the Company issued a total of 65,000,000 Consideration Shares to the PlantFuel Shareholders, representing approximately 47.7% of the outstanding Shares of the Company prior to giving effect to the Private Placement described below, and PlantFuel became a wholly-owned subsidiary of the Company.

The Consideration Shares are subject to escrow, with 10% of the Consideration Shares released on closing of the Acquisition and the balance to be released in equal denominations of 30% every quarter from closing.

As conditions of closing:

i. the Company entered into revised agreements with its CEO and CFO, terms of each which includes base annual compensation of CAD$150,000, change of control provisions of at least 18 months and participation of both officers in option and other compensation plans of the Company;

ii. the Company entered into an agreement with Brad Pyatt, President of PlantFuel, terms of which included base annual compensation of CAD$150,000, change of control provisions of at least 18 months and participation of Mr. Pyatt in option and other compensation plans of the Company;

iii. the Company will have concurrently completed a private placement financing of up to $3,000,000 through the issuance of up to 20,000,000 Shares of the Company at a price of $0.15 per Share, details of which are disclosed below;

iv. the Company appointed Wally Rudensky to the board of directors of the Company as a nominee of PlantFuel; and

v. the Acquisition was approved by the boards of directors of each of the Company and PlantFuel.

Financing Sources Associated with the Acquisition

Private Placement:

Concurrently with the closing of the Acquisition, the Company completed a non-brokered private placement and issued a total of 23,427,334 Shares of the Company for aggregate gross proceeds of $3,514,100.10 at a price of $0.15 per Share (the "**Private Placement**"). The purpose of the Private Placement was to ensure that the Company has sufficient operating capital to grow and expand the Company's Fusion line of supplement products and to provide expansion capital for the PlantFuel line of products.

The Company paid cash finder's fees of up to 6% of the proceeds to each of Haywood Securities Inc., Mackie Research Capital Corp., Stephen Avenue Securities Inc., Beacon Securities Ltd. and Echelon Wealth Partners Inc.

All securities issued are subject to a four-month hold period pursuant to securities laws in Canada. All subscribers to the Private Placement are at arm's length to the Company, PlantFuel and the Transaction.

2.4 Effect on Financial Position

The Company has no plans for material changes in the business or affairs of PlantFuel that may have a significant effect on the financial performance or financial position of the Company.

2.5 Prior Valuations

None.

2.6 Parties to Transaction

The share exchange agreement dated March 2, 2021 is among the Company, PlantFuel and the PlantFuel Shareholders. The Company and PlantFuel are arms' length parties to one another.

2.7 Date of Report

May 26, 2021.

Item 3: Financial Statements and Other Information

The following financial statements are attached hereto:

Schedule "A" – audited financial statements of PlantFuel for the period from April 15, 2020 (date of incorporation) to December 31, 2020.

SCHEDULE “A”

PLANTFUEL, INC.

ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD FROM APRIL 15, 2020 (DATE OF INCORPORATION) TO DECEMBER 31, 2020
(In United States Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Plantfuel Inc.

Opinion

We have audited the financial statements of Plantfuel Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2020 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from April 15, 2020 (date of incorporation) to December 31, 2020, 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, 2020, and its financial performance and its cash flows for the period from April 15, 2020 (date of incorporation) to December 31, 2020 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 in the financial statements, which indicates that the Company as of December 31, 2020, has accumulated losses of $89,767 since its inception and a negative workng capital of $344,757. As stated in Note 1, these events or conditions, 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.

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.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
May 26, 2021
Toronto, Ontario

PLANTFUEL, INC.
Statement of Financial Position
(Expressed in United States dollars)

	Note	December 31, 2020 $
Assets		
Current assets		
Cash		**50**
Prepaid expenses		**5,000**
Total current assets		**5,050**
Non-current assets		
Intangible assets	4	**255,000**
Total assets		**260,050**
Liabilities		
Accounts payable and accrued liabilities		**36,157**
Due to a related party	7	**3,651**
Promissory notes payable	5	**309,999**
Current and Total Liabilities		**349,807**
Shareholders' Deficiency		
Share capital	6	**10**
Accumulated deficit		**(89,767)**
Total Shareholders' Deficiency		**(89,757)**
Total Liabilities and Shareholders' Deficiency		**260,050**

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

Nature and continuance of operations *(note 1)*
Subsequent events *(note 11)*

Approved and authorized for issue by the Board of Directors on May 26, 2021.

"Brian Polla" — Director

"Wally Rudensky" — Director

PLANTFUEL, INC.
Statement of Loss and Comprehensive Loss
For the period from April 15, 2020 (date of incorporation) to December 31, 2020
(Expressed in United States dollars)

	Period from incorporation to December 31, 2020 $
Expenses:	
Advertising and promotion	19,835
Selling expense	3,910
Professional fees	4,474
Finance cost	16,429
Amortization	45,000
Foreign exchange loss	119
Net loss and comprehensive loss	**(89,767)**

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

PLANTFUEL, INC.
Statement of Changes in Shareholders' Equity
For the period from April 15, 2020 (date of incorporation) to December 31, 2020
(Expressed in United States dollars)

	Note	Number of Shares	Common Shares $	Contributed Surplus $	Accumulated Deficit $	Total $
Balance, April 15, 2020		-	-	-	-	-
Issuance of common shares	6	10,000	10	-	-	10
Net loss for the period		-	-	-	(89,767)	(89,767)
Balance, December 31, 2020		10,000	10	-	(89,767)	(89,757)

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

PLANTFUEL, INC.
Statement of Cash Flows
For the period from April 15, 2020 (date of incorporation) to December 31, 2020
(Expressed in United States dollars)

	Note	Period from incorporation to December 31, 2020
		$
Cash flow from operating activities		
Net loss for the period		(89,767)
Items not affecting cash:		
Amortization		45,000
Accrued interest on promissory note		16,429
Changes in non-cash working capital items:		
Prepaid expenses		(5,000)
Accounts payable and accrued liabilities		19,728
Due to related party		3,651
Cash flow used in operating activities		(9,959)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of common shares	6	10
Issuance of promissory notes payable	5	9,999
Cash flow from financing activities		10,009
Increase in cash		50
Cash, beginning of period		-
Cash, end of period		50
Supplement cash flow information		
Significant non-cash investing activities		
Acquisition of intangible assets	4	300,000
Significant non-cash financing activities		
Assumption of promissory notes	5	300,000

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

1. Nature and Continuance of Operations

PlantFuel, Inc., a Delaware corporation, was incorporated on April 15, 2020. The Company's principal executive office is located at 1303 Arapahoe Street Suite 105, Golden, Delaware, 80401 and the registered office is located at 221 N Broad Street, Suite 3A, Middletown, Delaware, 19709. The Company is engaged in the business of creating the world's first plant fueled sports nutrition company for athletes and active lifestyle enthusiasts.

These financial statements are prepared on a going concern basis which contemplates the realization of assets and settlement of liabilities in the normal course of operations. At December 31, 2020, the Company had not yet achieved profitable operations, has accumulated losses of $89,767 since its inception and a negative working capital of $344,757 and expects to incur further losses in the development of its business, all of which results in material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due.

Since March 2020, several measures have been implemented globally in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time.

The financial statements do not reflect adjustments in the carrying value of assets and liabilities, the reported expenses and the balance sheet classification that would be necessary if the going concern assumption were not appropriate, such adjustments would be material.

2. Basis of Presentation

(a) Statement of compliance

These annual financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The accounting policies set out below have been applied consistently to all periods presented.

(b) Basis of presentation

These financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The Company's functional currency, as determined by management, is the United States dollar. These financial statements are presented in United States dollars.

2. Basis of Presentation

(d) Use of estimates and judgements

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

- *Useful lives of intangible assets*
  The determination of the useful lives of the Company's intangible assets is a matter of judgment. Future earnings would be affected if actual useful lives differ from those estimated by the Company.

- *Impairment of non-current assets*

  Management assesses intangible assets with finite lives for any indicators of impairment annually. The assessment for indicators includes making estimates and judgments regarding current economic conditions, new technological developments and other changes in facts and circumstances..

3. Significant Accounting Policies

A summary of the significant accounting policies, which have been applied consistently to all periods presented in the accompanying financial statements are set out below:

Cash

Cash in the statement of financial position is comprised of cash held at a major financial institution. The Company does not currently have any cash equivalents.

Intangibles

Purchased intangible assets are recognized as assets in accordance with IAS 38, Intangible Assets, where it is probable that the use of the asset will generate future economic benefits and where the cost of the asset can be determined reliably. Intangible assets acquired are initially recognized at cost of purchase and are subsequently carried at cost less accumulated amortization, if applicable, and accumulated impairment losses.

Amortization is calculated on straight line basis over the expected useful life of the asset as follows:

Asset type	**Amortization Term**
Brand name	5 years

3. Significant Accounting Policies (continued)

Impairment testing of intangibles

Intangible assets with a finite life are reviewed at each reporting date to determine whether events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, then the assets recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount factors are determined individually and reflect their respective risk profiles as assessed by management. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized are allocated to reduce the carrying amounts of assets.

Financial instruments

Classification

On initial recognition, the Company determines the classification of financial instruments based on the following categories:

1. Measured at amortized cost
2. Measured at fair value through profit or loss (FVTPL)
3. Measured at fair value through other comprehensive income (FVOCI)

The classification under IFRS9 is based on the business model under which a financial asset is managed and on its contractual cash flow characteristics. Assets held for the collection of contractual cash flows and for which those cash flows correspond solely to principal repayments and interest payments are measured at amortized cost. Contracts with embedded derivatives where the host is a financial instrument in the scope of the standard will be assessed as a whole for classification.

A financial asset is measured at amortized cost if both of the following criteria are met:

1. Held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company may irrevocably elect, on initial recognition, to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives), or if the Company has chosen to evaluate them at FVTPL.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Measurement

Initial recognition – A financial asset or financial liability is initially recorded at its fair value, which is typically the transaction price, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In the event that fair value is determined to be different from the transaction price, and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference between fair value and transaction price is recognized as a gain or loss at the time of initial recognition.

Amortized cost – The amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount on initial recognition.

Fair value through profit or loss – Changes in fair value after initial recognition, whether realized or not, are recognized through the statement of loss and comprehensive loss. Income arising in the form of interest, dividends, or similar, is recognized through the statement of loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Fair value through other comprehensive income – Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive income. Income arising in the form of interest, dividends, or similar, is recognized through the statement of loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Impairment

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 statement 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.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Derecognition

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred. Gains and losses from the derecognition are recognized in the statement of loss and comprehensive loss.

Financial liabilities – The Corporation derecognizes a financial liability when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the statement of loss and comprehensive loss.

Income taxes

Income taxes are comprised of current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case the income tax is also recognized directly in shareholders' equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the reporting period, and any adjustments to tax payable in respect of 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. Deferred income tax is determined on a non-discounted basis using the 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 the assets can be recovered.

Deferred income tax assets and liabilities are presented as non-current.

Standards issued but not yet effective for the year ended December 31, 2020:

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Company's financial statements are discussed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
-

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

4. Intangible Assets

	Brand Name
Cost	
At April 15, 2020	**$ -**
Additions	300,000
At December 31, 2020	**300,000**
Accumulated depreciation	
At April 15, 2020	-
Amortization	45,000
At December 31, 2020	**45,000**
Net book value:	
At December 31, 2020	**$ 255,000**

On March 27, 2020, Tasty Idea, LLC entered into an asset purchase agreement with TRU Brands, Inc. whereby Tasty Idea, LLC purchased the right to various websites, trademarks, creative assets and product formulas related to the PlantFuel brand (the "PlantFuel Assets") for a total consideration of $300,000. Tasty Idea, LLC entered into certain secured notes with an original principal amount of $309,999 (the "Tasty Note") to finance the asset purchase. On July 1, 2020, Tasty Idea, LLC (then the Company's parent) assigned to the Company all of its right, title and interest in and to the PlantFuel Assets in consideration for the assumption of the obligations associated with the Tasty Note. Upon completion of the assignment and assumption, the Company acquired all the PlantFuel Assets and entered into new promissory notes with the holders of the previous Tasty Note (see Note 5).

5. Promissory Notes Payable

On July 1, 2020, the Company entered into three promissory notes with an aggregate principal amount of $309,999 (Note 4) with individuals who are also shareholders of the Company. These notes are interest-bearing with an interest rate of 7% per annum and are due on March 31, 2021. These notes are secured by the assets of the Company. During the period ended December 31, 2020, the Company incurred interest expense of $16,429 which is included in finance cost on the statement of loss and comprehensive loss. As at December 31, 2020, the principal amount and accrued interest remain outstanding.

6. Shareholders' Equity

Authorized share capital

The Company is authorized to issue 75,000,000 shares of common shares and the par value of each share is $0.001.

Outstanding share capital

As at December 31, 2020, common shares outstanding are as follows:

	Number		Amount
Balance, April 15, 2020 (date of incorporation)	**-**	**$**	**-**
Issuance of common shares	10,000		10
Balance, December 31, 2020	**10,000**	**$**	**10**

During the year, the Company issued 10,000 common shares with a par value of $0.001 per share proceeds of $10.

7. Related Party Transactions

Key management includes directors and officers of the Company. As a December 31, 2020, $3,651 was due to a director for expenses paid on behalf of the Company.

See Note 4 and 5 for details of other related party transactions associated with the acquisition of the Plant Fuel Assets.

8. Capital Management

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt, comprised of issued common shares ,accumulated deficit and promissory notes payable. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through issuance of shares and promissory notes.

There have been no changes to the Company's objectives and what it manages as capital since inception. The Company is not subject to externally imposed capital requirements.

9. Financial Instruments and Risk Management

Financial Instruments

The Company has classified its cash, accounts payable and accrued liabilities, due to related party and promissory notes payable have been classified as amortized cost.

The carrying values of cash, accounts payable and accrued liabilities, due to related party and promissory note payables approximate their fair values due to their short periods to maturity.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash. The Company's cash is held at a major financial institution. The Company regularly monitors its credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss.

(b) Liquidity risk

The Company is exposed to liquidity risk or the risk of not meeting its financial obligations as they come due. The Company constantly monitors and manages its cash flows to assess the liquidity necessary to fund operations. All of the Company's financial liabilities are due within one year.

(c) Interest risk

The Company is exposed to interest rate fair value risk on its promissory note payable which bears a fixed interest rate.

10. Income taxes

The relationship between the expected tax recovery based on the statutory tax rate and the reported tax recovery in the statement of loss and comprehensive loss can be reconciled as follows:

	December 31, 2020
	$
Accounting loss before income tax	**(89,767)**
Expected income tax recovery at the statutory rate - 21.0%	**(18,851)**
Adjustments for the following items:	
Increase in deferred tax asset not recognized	**18,851**
Income tax expense (recovery)	-

The Company's deferred tax assets are valued using the future income tax rate of 21.0%, which is the effective rate when they are expected to be realized and are as follows:

	December 31, 2020
	$
Non-capital loss carry forwards	**18,851**
Deferred tax assets not recognized	**(18,851)**
Deferred tax assets not reocognized	-

As at December 31, 2020, the Company has US non-capital loss carry forwards of approximately $90,000 which can be used to reduce taxable income of future years. The benefit of the non-capital loss carry forwards balance has not been recorded in the financial statements. These non-capital losses do not expire.

11. Subsequent events

On January 6, 2021, the holders of the promissory notes assigned the right, title and interest in their notes to another shareholder of the Company. Subsequently, in an effort to advance the interest of the Company, the shareholder and now holder of the promissory note with an aggregate principal amount of $309,999 and accrued interest of approximately $18,000 agreed to the cancellation of the promissory note. Upon execution of the cancellation, the Company has no obligations outstanding relating to the promissory note.

On March 15, 2021, the Company announced that Sire Bioscience Inc. has acquired the Company effective March 12, 2021 and will become a wholly-owned subsidiary of Sire Bioscience Inc.