ENDOCAN
SOLUTIONS

ENDOCAN SOLUTIONS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

Nine Months Ended July 31, 2021

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report.

ENDOCAN SOLUTIONS INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note		July 31, 2021		October 31, 2020
ASSETS					
Current assets					
Cash		$	126,121	$	2,253
GST recoverable			983		105
Total assets		$	127,104	$	2,358
LIABILITIES AND DEFICIENCY					
Current liabilities					
Accounts payable and accrued liabilities	4	$	1,907	$	142,965
Amounts due to related parties	5		520,472		362,352
Loans payable to related parties	5		7,779		26,509
Total liabilities			530,158		531,826
Deficiency					
Share capital	6		4,754,136		4,641,636
Share subscription proceeds	6		129,915		-
Share-based payments reserve	7		189,387		189,387
Deficit			(5,476,492)		(5,360,491)
Total deficiency			(403,054)		(529,468)
Total liabilities and deficiency		$	127,104	$	2,358

Nature of business and going concern (Note 1)
Contingencies (Note 11)
Event after the reporting period (Note 12)

The financial statements were authorized for issue by the board of directors on September 24, 2021 and were signed on its behalf by:

"Bruce Clark" Director *"Christopher Hoffmeister"* Director

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

ENDOCAN SOLUTIONS INC.
INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)

	Note	Three Months Ended July 31, 2021	Three Months Ended July 31, 2020	Nine Months Ended July 31, 2021	Nine Months Ended July 31, 2020
EXPENSES					
Management fees	5	$ 60,000	$ 60,000	$ 180,000	$ 180,000
Office and miscellaneous		542	99	2,675	1,236
Rent	5	6,740	-	6,740	-
Share-based payments	7	-	-	-	53,060
Transfer agent and filing fees		1,126	1,116	5,836	9,858
Loss before items below		(68,408)	(61,215)	(195,251)	(244,154)
Other income		-	-	69,000	-
Gain on extinguishment of accounts payable		2,500	-	10,250	-
Loss and comprehensive loss for the period		$ (65,908)	$ (61,215)	$ (116,001)	$ (244,154)
Basic and diluted loss per common share	6	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.05)
Weighted average number of common shares outstanding		4,980,406	4,750,515	4,827,988	4,617,668

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

ENDOCAN SOLUTIONS INC.
INTERIM STATEMENTS OF CHANGES IN DEFICIENCY
(Unaudited – Prepared by Management)

	Note	Number of Shares		Share capital		Share subscription proceeds		Share-based payments reserve		Deficit		Total
Balance, October 31, 2020		4,750,515	$	4,641,636	$	-	$	189,387	$	(5,360,491)	$	(529,468)
Shares issued for debt settlement	6	450,000		112,500		-		-		-		112,500
Share subscription proceeds	6	-		-		129,915		-		-		129,915
Comprehensive loss for the period		-		-		-		-		(116,001)		(116,001)
Balance, July 31, 2021		5,200,515	$	4,754,136	$	129,915	$	189,387	$	(5,476,492)	$	(403,054)

	Note	Number of Shares		Share capital		Share-based payments reserve		Deficit		Total
Balance, October 31, 2019		2,323,849	$	4,161,636	$	143,700	$	(5,046,252)	$	(740,916)
Shares issued for debt settlement	6	2,426,666		480,000		-		-		480,000
Share-based payments	7	-		-		53,060		-		53,060
Comprehensive loss for the period		-		-		-		(244,154)		(244,154)
Balance, July 31, 2020		4,750,515	$	4,641,636	$	196,760	$	(5,290,406)	$	(452,010)

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

ENDOCAN SOLUTIONS INC.
INTERIM STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED JULY 31
(Unaudited – Prepared by Management)

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		$ (116,001)	$ (244,154)
Items not affecting cash:			
Gain on extinguishment of accounts payable		(10,250)	-
Share-based payments		-	53,060
Changes in non-cash working capital items:			
GST recoverable		(878)	1,204
Accounts payable and accrued liabilities		(18,308)	(7,124)
Amounts due to related parties		158,120	178,750
Net cash provided by (used in) operating activities		12,683	(18,264)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share subscription proceeds		129,915	-
Loans payable to related parties		(18,730)	18,992
Net cash provided by financing activities		111,185	18,992
Change in cash during the period		123,868	728
Cash, beginning of the period		2,253	682
Cash, end of the period		$ 126,121	$ 1,410
NON-CASH FINANCING ACTIVITY			
Debt settled with issuance of common shares		$ 112,500	$ 480,000

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

1. NATURE OF BUSINESS AND GOING CONCERN

Endocan Solutions Inc. (the "Company") was incorporated on May 11, 2011 under the laws of British Columbia, Canada and maintains its head office at 14th Floor – 1050 West Georgia Street, Vancouver, B.C. V6E 4H8. The Company was listed on the Canadian Securities Exchange (the "CSE") under the symbol "WWM". On August 18, 2016, the Company received a cease trade order due to failing to file its annual financial statements for fiscal 2015 and became delisted from the CSE effective December 6, 2016. On October 21, 2019, the Company received the revocation of cease trade orders and has brought all its filings up to date. Management is actively pursuing business opportunities with a view to making an acquisition that will qualify the Company to re-list on the CSE.

Proposed transaction

On June 4, 2021, the Company announced the signing of a share exchange agreement whereby the Company proposed to acquire 100% of the issued and outstanding shares of Nirvana Life Sciences Inc. ("Nirvana") in exchange of approximately 39,000,000 common shares of the Company (the "Transaction"). Under the amendment signed on August 16, 2021, the Company will acquire 39,455,095 issued and outstanding common shares in the capital of Nirvana. The Transaction will be considered a reverse takeover transaction. The Company will seek a reactivation of its listing on the CSE.

Completion of the Transaction will be subject to certain conditions, including but not limited to, completion of confirmatory due diligence by the Company, receipt of shareholder approvals, receipt of all necessary approvals of the Transaction by the CSE as the Company's reactivation transaction, the resulting issuer satisfying the listing requirements of the CSE, and the receipt of all necessary third-party consents.

Nirvana, a private company based in Vancouver, B.C., is a development company focused on developing novel therapeutic products derived from psychedelics. Nirvana was founded by researchers who believe that psychedelics-based medicines can offer new approaches to pain management as well as treatment for ailments such addiction, anxiety and depression. Nirvana's early focus is twofold; to develop psilocybin derived medicines that can break human addiction to opioids and to develop non-abusive delivery systems. Nirvana has received an exemption under Section 56 of Controlled Drugs and Substances Act (Canada) from Health Canada and is currently awaiting decision on its application for a Dealer's License under the Food and Drugs Regulations for its proposed laboratory facility in Vancouver.

Going concern of operations

These financial statements have been prepared on a going concern basis which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. The Company has a history of losses with no operating revenue. As at July 31, 2021, the Company reported a working capital deficiency of $403,054 and has an accumulated deficit of $5,476,492. The Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management has estimated that the Company will require additional financing to meet its obligations for the next fiscal year. Continued operations are dependent on the Company's ability to complete equity financings, secure project debt financing, and / or generate profitable operations in the future. There is no assurance that further financing efforts will be successful or the Company will attain profitable levels of operations.

These financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

1. NATURE OF BUSINESS AND GOING CONCERN (cont'd…)

COVID-19 uncertainty

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds at this time. The Company will continue to monitor the impact of the pandemic on all aspects of its business and evaluate its impact on the Company's liquidity and future prospects.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended October 31, 2020, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Significant estimates and assumptions

The preparation of these financial statements requires management to make estimates 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 period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options using the Black-Scholes option pricing model, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

2. BASIS OF PREPARATION (cont'd…)

Significant judgments

The preparation of these financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in preparing the Company's financial statements include:

i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its potential projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

ii) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual financial statements for the year ended October 31, 2020 were consistently applied to all the periods presented unless otherwise noted below.

New accounting standards

There were no new or amended IFRS pronouncements effective November 1, 2020 that impacted the Company's interim financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2021	October 31, 2020
Accounts payable	$ 1,907	$ 120,465
Accrued expenses	-	22,500
	$ 1,907	$ 142,965

Accounts payables of the Company are principally comprised of amounts outstanding for trade purchases relating to general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

5. RELATED PARTY TRANSACTIONS

Amounts due to related parties of $520,472 (October 31, 2020 - $362,352) are comprised of management fees charged by companies controlled by its directors and officers. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

Included in loans payable to related parties are $7,779 (October 31, 2020 - $26,509) in advances from the CEO of the Company and companies with common directors. These loans are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year ended October 31, 2020, the Company issued 1,706,666 common shares to settle the loans of $320,000 payable to the company controlled by the CEO of the Company.

During the year ended October 31, 2020, the Company also entered into debt settlement agreements with companies controlled separately by a director and an officer of the Company to settle debt of $160,000 by issuing 720,000 common shares of the Company.

These related party creditors were not considered to be direct or indirect shareholders acting in the capacity of such. As the Company's shares are not publicly traded, the Company determined that the fair value of the shares on the date of settlement could not be reliably measured. The Company assessed that the aggregate 2,426,666 common shares issued (Note 6) shall be measured to reflect the fair value of the debt extinguished under IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*. Due to the short-term nature, the fair value of the debt settled approximates the total carrying value of $480,000.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the nine month periods ended July 31 is as follows:

	2021	2020
Management fees	$ 180,000	$ 180,000
Share-based payments	-	53,060
Total	$ 180,000	$ 233,060

The Company entered into the following related party transactions during the nine months ended July 31, 2021:

a) Paid or accrued management fees of $135,000 (2020 - $135,000) and office rent of $6,740 (2020 - $nil) to a company controlled by the CEO of the Company.
b) Paid or accrued management fees of $45,000 (2020 - $45,000) to a company controlled by the CFO of the Company.

The Company has entered into services agreements with two companies controlled separately by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company for a total monthly base fee of $20,000, with no specified term. The services agreements may be terminated with a termination payment equal to six to twenty-four months of base fee.

6. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At July 31, 2021, the Company had 5,200,515 common shares outstanding (October 31, 2020 - 4,750,515).

Share issuance

During the nine months ended July 31, 2021, the Company issued 450,000 common shares to settle debt of $112,500 pursuant to a settlement agreement with Robert van Santen (Note 11).

During the year ended October 31, 2020, the Company issued 2,426,666 common shares to settle debt of $480,000 due to related parties of the Company (Note 6).

Share subscription proceeds

During the nine months ended July 31, 2021, the Company announced a non-brokered private placement of 2,000,000 common shares at a price of $0.35 per common share for gross proceeds of $700,000. As at July 31, 2021, the Company received subscription proceeds of $129,915.

Escrowed shares

As at October 31, 2020 and July 31, 2021, there were 537,951 common shares held in escrow.

Basic and diluted loss per share

The calculation of basic and diluted earnings (loss) per share for the nine months ended July 31, 2021 was based on the loss attributable to common shareholders of $116,001 (2020 - $244,154) and a weighted average number of common shares outstanding of 4,827,988 (2020 - 4,617,668).

7. SHARE-BASED PAYMENTS

Stock option plan

The Company has a stock option plan (the “Plan”) in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

7. SHARE-BASED PAYMENTS (cont'd…)

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, October 31, 2019	-	$ -
Granted	300,000	0.25
Balance, October 31, 2020 and July 31, 2021	300,000	$ 0.25
Exercisable at October 31, 2020 and July 31, 2021	300,000	$ 0.25
Weighted average fair value of options granted during the period	$ nil	(2020 - $0.18)

The options outstanding at July 31, 2021 have an exercise price of $0.25 and a weighted average remaining contractual life of 1.51 years.

As at July 31, 2021, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
300,000	$ 0.25	February 2, 2023

8. CAPITAL MANAGEMENT

In the management of capital, the Company includes components of shareholders' deficiency in the definition of capital. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and development of medical marijuana business. The Board of Directors does not establish qualitative 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 upon external financing to fund its activities. In order to carry out the planned activities, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new opportunities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash as subsequently measured at amortized cost; accounts payable, amounts due to related parties, and loans payable to related parties as subsequently measured at amortized cost. Information on certain types of financial instruments is included elsewhere in these financial statements as follows: accounts payable (Note 4), amounts due to related parties and loans payable to related parties (Note 5).

The carrying amounts of cash, accounts payable, amounts due to related parties, and loans payable to related parties, carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at July 31, 2021, the Company had a cash balance of $126,121 and current liabilities of $530,158. The Company's financial liabilities include accounts payable, amounts due to related parties, and loans payable to related parties which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and advances from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The exposure to interest rates for the Company is considered minimal. The Company has not used any financial instrument to hedge potential fluctuations in interest.

10 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at July 31, 2021, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the nine months ended July 31, 2021.

11. CONTINGENCIES

On June 6, 2019, Robert van Santen, a former director of the Company, and Agilis Capital Corporation ("Agilis", a company controlled by Robert van Santen) filed a Notice of Civil Claim against the Company claiming a total of $301,882 as follows: $107,507 for outstanding fees, $180,000 in severance compensation, and $14,375 for GST and an unspecified amount for special damages. The outstanding fees plus applicable GST in the total amount of $115,000 were included in accounts payable and accrued liabilities on the statements of financial position as at October 31, 2020.

During the nine months ended July 31, 2021, the Company entered into a settlement agreement with Robert van Santen, whereby the Company issued 450,000 common shares of the Company to Robert van Santen in satisfaction of $112,500 owed to Robert van Santen and Robert van Santen accepted the settlement and terminated and released the Company from any and all actions and claims in respect of his involvement with the Company.

12. EVENT AFTER THE REPORTING PERIOD

Subsequent to July 31, 2021, the Company completed a non-brokered private placement of 1,914,529 common shares at a price of $0.35 per common share for gross proceeds of $670,085.