GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Financial Statements
For the year ended July 31, 2020 and the period from July 17, 2019 (inception) to July 31, 2019
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Greeny Collaboration Group (Canada Inc.)

Opinion

We have audited the consolidated financial statements of Greeny Collaboration Group (Canada) Inc. (the "Company"), which comprise the consolidated statement of financial position as at July 31, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2020, and its financial performance and its cash flows for the year ended July 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 describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements for the year ended July 31, 2019 were audited by another auditor whose report dated September 23, 2019 expressed an unmodified opinion.

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.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
August 3, 2021

MOORE

An independent firm
associated with Moore
Global Network Limited

GREENY COLLABORATION GROUP (CANADA) INC.
Consolidated Statements of Financial Position
As at July 31, 2020 and 2019
(Expressed in Canadian dollars)

	Notes	July 31, 2020	July 31, 2019
		$	$
Assets			
Current			
Cash		**19,776**	20,132
Other receivables		**-**	1,399
Prepaid expenses		**5,899**	-
Current assets		**25,675**	21,531
Non-current			
Website	4	**243,723**	133,153
Non-current assets		**243,723**	133,153
Total assets		**269,389**	154,684
Liabilities			
Current			
Accounts payable and accrued liabilities	9, 10	**416,542**	192,372
Current liabilities		**416,542**	192,372
Non-Current			
Promissory notes	8	**541,725**	-
Total liabilities		**958,267**	192,372
Shareholders' deficiency			
Share capital	6	**570,358**	20,000
Accumulated other comprehensive income (loss)		**1,257**	(252)
Equity component of convertible debts	8	**29,293**	-
Contributed surplus	6	**341,759**	-
Warrants reserve	6	**2,166**	-
Deficit		**(1,633,702)**	(57,436)
Total shareholders' deficiency		**(688,869)**	(37,688)
Total liabilities and shareholders' deficiency		**269,398**	154,684

Approved and authorized for dissemination by the Board of Directors on July 30, 2021.

"Marc Mulvaney" (signed)
Marc Mulvaney, Director

The accompanying notes are an integral part of the consolidated financial statements.

GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Statements of Loss and Comprehensive Loss
For the year ended July 31, 2020 and the period from July 17, 2019 (inception) to July 31, 2019
(Expressed in Canadian dollars)

	Notes	For the year ended July 31, 2020	For the period from July 17, 2019 (inception) to July 31, 2019
		$	$
Sales		**12,380**	-
		12,380	-
Expenses			
Consulting fees	9	**665,678**	-
Legal and audit fees	9	**288,531**	49,071
Marketing expenses		**64,893**	-
General and administrative expenses		**102,548**	8,046
Travel expenses		**21,592**	-
Office expenses		**4,313**	319
Share-based payments	6	**341,759**	-
Amortization	4	**48,768**	-
Interest and bank fees		**2,964**	-
		1,541,046	57,436
Other items			
Foreign exchange loss		**(3,500)**	-
Interest and accretion expense	8	**(44,100)**	-
		(13,271)	-
Net loss		**(1,576,266)**	(57,436)
Other comprehensive income (loss)			
Cumulative translation adjustment		**1,509**	(252)
Net loss and comprehensive loss		**(1,574,757)**	(57,688)
Basic and diluted loss per share	5	**(0.08)**	(0.01)
Weighted average number of common shares outstanding	5	**19,962,956**	4,000,100

The accompanying notes are an integral part of the consolidated financial statements.

GREENY COLLABORATION GROUP (CANADA) INC.
Consolidated Statements of Changes in Shareholders' Deficiency
For the year ended July 31, 2020 and the period from July 17, 2019 (inception) to July 31, 2019
(Expressed in Canadian dollars)

		Issued Share Capital							
	Notes	Number of Shares	Amount $	Contributed Surplus $	Warrants Reserve $	Equity Component of Convertible Debt $	Accumulated Other Comprehensive Income (Loss) $	Deficit $	Total Deficiency $
Balance, July 17, 2019 (inception)		-	-	-	-	-	-	-	-
Issuance of Company's common stock	6	4,000,100	20,000	-	-	-	-	-	20,000
Net loss		-	-	-		-		(57,436)	(57,436)
Other comprehensive loss		-	-	-	-	-	(252)	-	(252)
Balance, July 31, 2019		4,000,100	20,000	-	-	-	(252)	(57,436)	(37,688)
Issuance of Company's common stock	6	14,345,161	589,420	-	-	-	-	-	589,420
Share issuance costs – cash		-	(36,896)	-	-	-	-	-	(36,896)
Share issuance costs – finder's warrants		-	(2,166)	-	2,166	-	-	-	-
Share-based payments	6	-	-	341,759	-	-	-	-	341,759
Equity component of convertible debts	8	-	-	-	-	29,293	-	-	29,293
Net loss		-	-	-	-	-	-	(1,576,266)	(1,576,266)
Other comprehensive income		-	-	-	-	-	1,509	-	1,509
Balance, July 31, 2020		18,345,261	570,358	341,759	2,166	29,293	1,257	(1,633,702)	(688,869)

The accompanying notes are an integral part of the consolidated financial statements.

GREENY COLLABORATION GROUP (CANADA) INC.
Consolidated Statements of Cash Flows
For the year ended July 31, 2020 and the period from July 17, 2019 (inception) to July 31, 2019
(Expressed in Canadian dollars)

	For the year ended July 31, 2020	For the period from July 17, 2019 (inception) to July 31, 2019
	$	$
Operating Activities		
Net loss	**(1,576,266)**	(57,436)
Foreign exchange differences	**1,509**	(252)
Share-based payments	**341,759**	-
Amortization	**48,768**	-
Interest and accretion expense	**44,100**	-
Shares issued for service	**5,000**	
Shares issued for commitment fees	**37,500**	
Net changes in non-cash working capital items:		
Other receivables	**1,399**	(1,399)
Prepaid expenses	**(5,899)**	-
Accounts payable and accrued liabilities	**186,369**	59,219
Net operating cash flows	**(915,761)**	132
Investing Activity		
Acquisition of intangible asset	**(159,338)**	-
Net investing cash flows	**(159,338)**	-
Financing Activities		
Proceeds from issuance of company's common stock, net	**504,624**	20,000
Proceeds from promissory notes	**570,119**	-
Net financing cash flows	**1,074,743**	20,000
Increase (decrease) in cash resources	**(356)**	20,132
Cash resources, beginning	**20,132**	-
Cash resources, ending	**19,776**	20,132
Supplementary cash flow information		
Non-cash transactions:		
Acquisition of intangible asset	-	(133,153)
Accounts payable and accrued liabilities	-	133,153

The accompanying notes are an integral part of the consolidated financial statements.

1. Nature of operations and going concern

Greeny Collaboration Group (Canada) Inc. (the "Company" or "Greeny Canada") and its wholly-owned subsidiary are currently building a transactional marketplace platform to sell CBD-(cannabidiol)-containing products.

Greeny Canada is the parent company of Greeny Collaboration Group Corp (USA) (the "subsidiary"). The wholly-owned subsidiary was incorporated on July 16, 2019 under laws of State of Delaware.

Greeny Canada was incorporated under the *Business Corporations Act* of British Columbia on July 17, 2019. The head office, principal address and records office of the Company are located at 800- 885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

The Company has a history of losses with few operating revenues and, as at July 30, 2020, has a working capital deficit of $390,867 and an accumulated deficit of $1,633,702. The Company has no significant assets and is dependent on raising additional capital to carry on operations. Further funds will be required by the Company to fund existing levels of operations and administration, retire its indebtedness as they come due and conduct due diligence on identifying and evaluating potential mineral interest acquisitions or other business opportunities. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to identify, acquire and develop properties and to establish future profitable production.

Covid-19 outbreak

Since year ended July 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company's products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

2. Basis of presentation

Statement of compliance
These consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements of the Company for the year ended to July 31, 2020 were approved and authorized for issue by the Board of Directors on July 30, 2021.

Use of judgments and estimates
The preparation of consolidated 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 judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

While management believes that these estimates and judgments are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

Going concern
These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

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

Income taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Because the Company is in a loss position, it has not recognized the value of any deferred tax assets in its statement of financial position.

Functional currency
The determination of functional currency is a matter of judgement. Some of the Company's transactions are denominated in foreign currencies. The majority of the Company's revenues and expenditures are in United States dollars.

2. Basis of presentation (continued)

Contingencies
Management uses judgement to assess the existence of contingencies. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also uses judgement to assess the likelihood of the occurrence of one or more future events.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

Share-based compensation
The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the Company's common shares, expected life of the share option, forfeiture rate, volatility and dividend yield and making assumptions about them.

Impairment of non-current assets
In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Impairment of intangible assets with indefinite lives are assessed for impairment on an annual basis. This assessment takes into account factors such as economic and market conditions as well as any changes in the expected use of the asset.

3. Summary of significant accounting policies

The Company's principal accounting policies are outlined below and have been applied consistently to all periods presented. All intercompany transactions, balances and any unrealized gains and losses from intercompany transactions are eliminated on consolidation.

(a) *Basis of consolidation*
The Company's consolidated financial statements includes the accounts of its wholly owned subsidiary Greeny Collaboration Group Corp (USA) and the Company as of July 31, 2020.

(b) *Foreign currency*

Functional and presentation
Items included in the financial statements of Company's subsidiary are measured using the currency of the primary economic environment (US dollars) in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

3. Summary of significant accounting policies

Foreign currency transactions
Transactions denominated in foreign currencies are translated into the functional currency of the Company at exchange rates prevailing at the transaction dates (spot exchange rates). Monetary assets and liabilities are retranslated at the exchange rates as at July 31, 2020. Exchange gains and losses on translation or settlement are recognized in the consolidated statements of loss and comprehensive loss. Foreign currency transactions are translated into Canadian dollars using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at FVTPL. Gains and losses arising from foreign exchange are included in the consolidated statements of operations.

Cash
Cash comprises cash in bank and demand deposits, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) *Intangible assets*
Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

	Method	**Years**
Website	Straight-line	5

(d) *Revenue recognition*
The Company derives its revenues from the online sales of CBD related products and accessories through an e-commerce platform. As a result, the Company has one performance obligation, the delivery of CBD related products to end users. Revenue is recognized when goods are dispatched which is generally when control of the goods has transferred from the Company to the customer.

Payment of the transaction price is due immediately at the time of the order being made by the end customer. Customer orders are dispatched on the same day the order is made, which results in the Company not having open contracts at the period end. As a result, the Company does not record any contract liabilities. Customer payments are normally made through payment gateways.

(e) *Equity*

Share capital
Share capital represents the amount received on the issue of shares less issuance costs.

3. Summary of significant accounting policies (continued)

Share-based payments
Share-based payments to employees are measured at the fair value of the instruments issued and recognized 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 instruments 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 recorded to contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporated all market vesting conditions. The number of 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 will eventually vest.

(f) *Income taxes*
Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss and comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(g) *Loss per share*
Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting year.

(h) *Impairment*
The Company's assets are reviewed for indicators of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually or whenever impairment indicators exist.

3. Summary of significant accounting policies (continued)

(i) *Impairment (continued)*

An impairment loss is recognized when the carrying amount of an asset, or its Cash Generating Unit (CGU), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

(i) *Financial Instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit or 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 the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	IFRS 9 Classification
Cash	FVTPL
Other receivables	Amortized cost
Account payable	Amortized cost
Promissory notes	Amortized cost

Measurement
Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

3. Summary of significant accounting policies (continued)

(j) *Financial Instruments* (continued)

Measurement (continued)
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.

Impairment of financial assets at amortized cost
The Company recognized 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's credit risk 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 consolidated 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.

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. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

(j) *Convertible debentures*
Convertible debentures with a variable conversion price are recorded at amortized cost and accounted for as a hybrid financial instrument with separate debt and derivative liability components. The derivative liability is recorded at fair value and deducted from the face value of the debt to arrive at the liability component which will be accreted to face value over the life of the debenture. The derivative liability is remeasured at fair value at each period end subsequent to initial recognition.

The debt component of a convertible debentures issued with a fixed-for-fixed equity conversion feature is initially discounted at the market rate of interest without the conversion feature and the residual value is allocated to an equity reserve. Subsequently the debt component is kept at amortized cost.

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(k) *Accounting policies adopted during the year*

Beginning on August 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases
In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the consolidated financial statements.

4. Website

	Balance, as at July 31, 2019 $	Additions $	Balance, as at July 31, 2020 $
Cost			
Development costs	133,153	159,338	**292,491**
	133,153	159,338	**292,491**
Accumulated amortization			
Amortization	-	(48,768)	**(48,768)**
Carrying amount	133,153	110,570	**243,723**

	Balance, as at July 17, 2019 (inception) $	Additions $	Balance, as at July 31, 2019 $
Cost			
Development costs	-	133,153	**133,153**
	-	133,153	**133,153**
Accumulated amortization			
Amortization	-	-	**-**
Carrying amount	-	133,153	**133,153**

(Expressed in Canadian dollars)

5. Loss per common share

Basic loss per common share is calculated by dividing the net loss by the weighted average number of common shares outstanding. Diluted loss per common share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding, plus the effects of dilutive common share equivalents such as warrants and stock options.

Diluted net loss per share is calculated using the treasury method, where the exercise of warrants and options is assumed to be at the beginning of the period and the proceeds from the exercise of warrants and options and the amount of compensation expense measured, but not yet recognized in loss are assumed to be used to purchase common shares of the Company at the average market price during the year.

Basic and diluted loss per common share

The following table sets forth the computation of basic and diluted loss per share:

	July 31, 2020	July 31, 2019
	$	$
Numerator		
Net loss	**(1,576,266)**	(57,436)
Denominator		
Weighted average number of common shares outstanding for basic loss per share	**17,384,939**	4,000,100
Stock options	**1,385,000**	-
Warrants	**1,193,017**	-
Adjusted weighted average shares outstanding for diluted loss per share	**19,962,956**	4,000,100
Loss per share - basic and diluted	(0.08)	(0.01)

6. Shareholders’ equity

(a) *Share Capital Authorized*

The Company is authorized to issue an unlimited number of:

- common shares (voting) without nominal or par value.

(Expressed in Canadian dollars)

6. Shareholders' equity (continued)

(b) Share Capital Issued and Outstanding

18,345,261 common shares as of July 31, 2020 and 4,000,100 as of July 31, 2019.

Since the incorporation on July 17, 2019, the following share transactions occurred:

i) In July 2019, the Company issued 4,000,100 common shares at a price of $0.005 per share for a total amount of $20,000.

ii) On August 22, 2019, the Company closed a private placement and issued 13,659,287 common shares at a price of $0.025 per share for a total amount of $341,482.

iii) On August 22, 2019, the Company issued 200,000 common shares at a price of $0.025 per share for a value of $5,000, related to website development services.

iv) The Company issued 485,874 common shares at a price of $0.50 per share for a total amount of $242,938 in a private placement closed in 7 tranches on September 19, 2019 ($25,000), September 26, 2019 ($5,000), October 24, 2019 ($60,000), November 28, 2019 ($70,000), January 3, 2020 ($10,400), January 29, 2020 ($69,538), and March 9, 2020 ($3,000).

For the tranche that closed on January 3, 2020, 20,800 common shares were issued to a consultant to settle debt amount of $10,400.

For the tranche that closed on January 29, 2020, 75,000 common shares were issued as commitment fee of $37,500 to a credit facility (Note 7).

v) During the year ended July 31, 2021 the Company paid a total share issuance cost of $39,062, including the issuance of 11,200 broker's warrants with a value of $2,166 and cash paid of $36,896.

(c) Share Purchase Options

The Company has established a share option plan whereby the Board of Directors may from time-to-time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board.

On September 16, 2019, the Company granted 1,385,000 options to purchase common shares of the Company to the current directors, officers and consultants of the Company, all exercisable at a price of $0.50 for a period of 5 years.

The following summarizes the activity during the year ended July 31, 2020:

	Number of Options	Exercise Price
		$
Balance as at August 1, 2019	-	-
Granted	1,385,000	0.50
Balance as at July 31, 2020	1,385,000	0.50

(Expressed in Canadian dollars)

6. Shareholders' equity (continued)

The following table summarizes the assumptions used with the Black-Scholes Option Pricing Model for the determination of the fair value of $483,823 for the stock options issued during the year ended July 31, 2020:

Share price	$0.50
No. of options	1,385,000
Exercise price ranges	$0.50
Expected life in years	5
Volatility	90.22%
Risk-free interest rate ranges	1.49%
Dividend yield	-
Fair value of options granted	$0.35

138,500 options vested immediately, 415,500 on the 1st anniversary of grant, 415,500 on the 2nd anniversary of grant and 415,500 on the 3rd anniversary of grant. The Company recognized $341,759 share-based payments for the options vested during the year ended July 31, 2020.

The following table provides additional information about outstanding stock options at the end of July 31, 2020:

Exercise Price	No. of Options Outstanding	Vested Options Exercisable	Weighted Average Remaining Life (in years)
$0.50	1,385,000	138,500	4.12

(d) Contributed surplus, warrant reserves and equity component of convertible debt

The contributed surplus account has been created to record the share-based payment expense relating to the issuance of share options.

The warrant reserve account have been created to record the fair value attributable of the warrants issued.

The equity component of convertible debt account has been created to allocated the fair value of the equity component of the conversion feature of the promissory notes (Note 8).

(e) Warrants

During the year ended July 31, 2020, the Company issued 11,200 warrants in connection with a private placement as broker's fees exercisable at $0.50 over a one year period (expiring on November 28, 2020). The Company also issued 1,181,817 warrants in connection with three promissory notes (Note 8) exercisable at $0.55 over a three years period (expiration dates respectively November 25, 2022, January 20, 2023 and June 4, 2023).

(Expressed in Canadian dollars)

6. Shareholders' equity (continued)

The continuity of outstanding share warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price per Share
		$
Balance as at August 1, 2019	-	-
Granted	1,193,017	0.55
Balance as at July 31, 2020	1,193,017	0.55

The following table summarizes the assumptions used with the Black-Scholes Option Pricing Model for the determination of 11,200 finders' share warrants issued during the year ended July 31, 2020:

Share price	$0.50
No. of warrants	11,200
Exercise price ranges	$0.50
Expected life in years	1
Volatility	100%
Risk-free interest rate ranges	1.25%
Dividend yield	-
Fair value of warrants granted	$0.193

The following table provides additional information about outstanding share warrants at the end of July 31, 2020:

Exercise Price	No. of Warrants Outstanding	Weighted Average Remaining Life (in years)
$0.50	11,200	0.33
$0.55	1,181,817	2.50
	1,193,017	2.47

7. Credit facility

On January 29, 2020, the Company obtained an unsecured Grid Promissory Note (term credit facility) in the amount of $1,500,000, bearing interest at 12% per annum and maturing on June 1, 2022. Each advance made to the Company is subject to a cash advance fee, which equals to 1% of each advance. This credit facility also has a commitment fee of $37,500 paid by the issuance of 75,000 common shares of the Company. As of July 31, 2020, the Company has not used or withdrawn any funds from the term credit facility and all fees have been paid for by the issuance of the Company's shares (Note 6).

(Expressed in Canadian dollars)

8. Promissory notes

On November 25, 2019, the Company issued a secured promissory note in a principal amount of $250,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on November 25, 2021, and interest are payable on a monthly basis. Pursuant to the promissory note, the Company shall pay to the lender $15,000 representing the prepayment of interest for the period commencing on the date of the promissory note and ending six months from the date of the promissory note and a $2,500 arrangement fee. The promissory note also has 454,545 common shares purchase warrants exercisable at $0.55 for a period of 3 years (Note 6). On the maturity date, the Lender may, in its sole discretion, force the conversion of the principal amount and any outstanding indebtedness into common shares of the Company at a price equal to $0.55 per common shares.

On January 20, 2020, the Company issued a second secured promissory note in a principal amount of $250,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on January 20, 2022, and interest are payable on a monthly basis. Pursuant to the promissory note, the Company shall pay to the lender $15,000 representing the prepayment of interest for the period commencing on the date of the promissory note and ending six months from the date of the promissory note and a $2,500 arrangement fee. The promissory note also has 454,545 common shares purchase warrants exercisable at $0.55 for a period of 3 years (Note 6). On the maturity date, the Lender may, in its sole discretion, force the conversion of the principal amount and any outstanding indebtedness into common shares of the Company at a price equal to $0.55 per common shares.

On June 4, 2020, the Company issued a third secured promissory note in a principal amount of $70,119. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest are payable on a monthly basis. Pursuant to the promissory note, the Company shall pay to the lender $9,000 representing the prepayment of interest for the period commencing on the date of the promissory note and ending six months from the date of the promissory note and a $2,500 arrangement fee. Furthermore, the Company issued 272,727 common shares warrants exercisable at $0.55 per common share of the Company for a period of three years from the date of the promissory note (Note 6). On the maturity date, the Lender may, in its sole discretion, force the conversion of the principal amount and any outstanding indebtedness into common shares of the Company at a price equal to $0.55 per common shares.

The fair value of the liability component of the convertible debentures issued by the Company at the time of issue was determined based on an estimated discount rate of 15% per annum for promissory notes without the conversion feature. The fair value of the conversion feature, equity component, was determined as the difference between the face value and the fair value of the liability component.

The following is a summary of the movement of the promissory notes during the year ended July 31, 2020:

	First Promissory Note	Second Promissory Note	Third Promissory Note	Total
	$	$	$	$
Balance, July 31, 2019	-	-	-	-
Additions	234,767	234,188	64,371	**533,326**
Interest paid	(20,000)	(15,000)	(701)	**(35,701)**
Interest accrued	24,166	18,786	1,148	**44,100**
Balance, July 31, 2020	238,933	237,974	64,818	**541,725**

(Expressed in Canadian dollars)

9. Related party transactions

During the year ended July 31, 2020, the following transactions occurred with related parties:

	July 31, 2020	July 31, 2019
Key management and related parties transactions:	$	$
Consulting fees to a company controlled by the Chief Executive Officer and director	154,785	-
Consulting fees to a company controlled by the Chief Financial Officer	49,952	-
Website development fees to a company controlled by the Chief Technology Officer	153,064	-
Legal fees to a firm where a director of the Company is a partner at	116,229	32,173
	474,030	32,173

Balances owed to key management and related parties include the following:

Included in accounts payable and accrued liabilities is $67,020 due to a company controlled by the Chief Executive Officer for consulting fees, $6,702 to a company controlled by the Chief Technology Officer for website development fees included in the intangible assets incurred, and $50,000 (2019 – $32,173) to a firm where a director of the Company is a partner at for legal fees during the year ended July 31, 2020 (Note 10).

10. Accounts Payable and Accrued Liabilities

	July 31, 2020	July 31, 2019
	$	$
Accounts payable (Note 9)	411,542	79,703
Accrued liabilities (Note 9)	5,000	112,669
	416,542	192,372

11. Income taxes

The following table reconciles the expected income taxes at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of operations for the periods ended July 31, 2020 and 2019:

	2020	**2019**
	$	**$**
Loss before income taxes	(1,576,266)	(57,436)
Tax using Company's domestic rate	27.0%	27.0%
Expected tax recovery	(425,592)	(15,508)
Deferred tax assets not recognized	339,371	14,636
Permanent differences	92,275	-
Other	(6,054)	872
Total income taxes	-	-

(Expressed in Canadian dollars)

11. Income taxes (continued)

The Company has the following deferred tax assets for which no deferred tax assets has been recognized

Canada	2020	2019
	$	$
Non-capital losses	340,000	4,388
Deferred share issuance costs	12,000	8,241
	352,000	12,629

The tax pools relating to these deductible temporal differences expire as follow:

Canada	Canadian
	$
2039	16,253
2040	1,241,886
	1,258,139

12. Financial instruments and risk management

(a) Management of capital
The capital structure of the Company consists of equity attributable to common shareholders, comprising issued share capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company is not subject to externally imposed capital requirements.

(b) Fair value of financial instruments
Categories of financial assets and liabilities

Financial instruments that are measured at fair value use inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level Two includes inputs that are observable other than quoted prices included in Level One; and
- Level Three includes inputs that are not based on observable market data.

This hierarchy groups of financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities as defined in Note 2. Cash are carried at fair value determined under the fair value hierarchy as Level One.

12. Financial instruments and risk management (continued)

The carrying values of cash and accounts payable are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. The fair value of the promissory note approximate to their carrying values amount (Note 8).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

(c) Credit risk

Credit risk is the risk of a loss if a counter party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash balance. The Company limits its exposure to credit risk by holding its cash with high credit quality financial institution and cash held with legal counsel.

(d) Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at July 31, 2020, the Company had a cash balance of $19,776 to settle current liabilities of $416,542. Accounts payable and accrued liabilities are due within less than 90 days. The Company is exposed to significant liquidity risk. However, the Company has access to a credit facility and have not yet use or withdrawn any funds from the said facility.

13. Business combination agreement

On June 23, 2020, the Company signed a definitive Business Combination Agreement (“Agreement”) among Kootenay Zinc Corp. (“Kootenay”) and 1251750 B.C. Ltd along with Canndora Delivery Ltd. (“Canndora”) and Lifted Innovations Inc. (“Lifted”) pursuant to which Kootenay, Greeny Canada, Canndora and Lifted have agreed to complete a business combination resulting in a reverse takeover and change of business of Kootenay, to be renamed PeakBirch Logic Inc. (“PeakBirch”) upon closing of the business combination. This transaction was completed subsequent to the year end (Note 14).

14. Subsequent event

On September 8, 2020, PeakBirch, formerly Kootenay (“PeakBirch”), has completed the business combination among Lifted, Canndora, and Greeny to form PeakBirch (Note 13).

PeakBirch will continue as a combination of the businesses of Lifted, Greeny Canada and Canndora as a company that specializes in e-commerce sales and delivery of cannabis-related products and CBD-containing products. It is expected that the transaction will provide the opportunity for the business of Lifted, Greeny Canada and Canndora to be operated together for mutual strategic benefit.

Pursuant to business combination agreements in respect of the Company, PeakBirch acquired 100% of the issued and outstanding shares of Greeny Canada in exchange for an aggregate of 9,166,131 PeakBirch shares, 563,384 PeakBirch warrants exercisable at $1.15 per share, 5,339 PeakBirch warrants exercisable at $1.05 which expired on November 28, 2020 and 660,244 PeakBirch options exercisable at $1.05 per shares.

The Company issued 68,404 commons shares subsequent to the year end July 31, 2021 to settle account payable for the amount of $46,123.