

GLORIOUS CREATION LIMITED

Condensed Interim Financial Statements (Expressed in Canadian dollars - unaudited)

June 30, 2021

**NOTICE OF NO AUDITORS' REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Glorious Creation Limited

Condensed Interim Statements of Financial Position

Expressed in Canadian dollars

Unaudited

As at

	June 30, 2021	December 30, 2020
	\$	\$
Assets		
Current assets		
Cash	414,420	509,229
Total assets	414,420	509,229
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	420	18,953
Due to related parties (Note 7)	12,100	7,484
Total liabilities	12,520	26,437
Shareholders' equity		
Share capital (Note 6)	3,825,043	3,825,043
Reserve (Note 6)	535,701	535,701
Deficit	(3,958,844)	(3,877,952)
Total shareholders' equity	401,900	482,792
Total liabilities and shareholders' equity	414,420	509,229

Nature of operations (Note 1)

Basis of preparation and going concern (Note 2)

On behalf of the Board:

<u>"Liam Corcoran"</u>	Director
<u>"Toby Lim"</u>	Director

Glorious Creation Limited

Condensed Interim Statements of Loss

Expressed in Canadian dollars

Unaudited

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
	\$	\$	\$	\$
General and administrative expenses				
Accounting and auditing	2,111	1,260	3,581	1,260
Director fees (Note 7)	3,150	6,300	6,300	12,600
Legal (Note 7)	-	-	5,000	1,985
Management fees (Note 7)	14,175	6,300	28,350	12,600
Office and miscellaneous	435	207	866	428
Share-based compensation	-	6,433	-	12,866
Project investigation	16,805	-	23,195	-
Transfer agent and shareholder costs	623	717	1,112	2,441
Registration and filing	3,937	5,105	12,488	7,363
Loss and comprehensive loss for the period	(41,236)	(26,322)	(80,892)	(51,543)
Weighted average number of common shares outstanding	20,983,389	2,801,571	20,983,389	2,801,571
Basic and diluted loss per common share	(0.00)	(0.01)	(0.00)	(0.02)

Glorious Creation Limited

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

Expressed in Canadian dollars

Unaudited

Share Capital					
	Number of common shares	Amount \$	Reserve \$	Deficit \$	Total \$
Balance, December 31, 2019	2,801,571	2,831,023	518,161	(3,742,103)	(392,919)
Share-based compensation	-	-	12,866	-	12,866
Loss for the period	-	-	-	(51,543)	(51,543)
Balance, June 30, 2020	2,801,571	2,831,023	531,027	(3,793,646)	(431,596)
Shares issue in private placement	18,181,818	1,000,000	-	-	1,000,000
Share issuance costs	-	(5,980)	-	-	(5,980)
Share-based compensation	-	-	4,674	-	4,674
Loss for the period	-	-	-	(84,306)	(84,306)
Balance, December 31, 2020	20,983,389	3,825,043	535,701	(3,877,952)	482,792
Loss for the period	-	-	-	(80,892)	(80,892)
Balance, June 30, 2021	20,983,389	3,825,043	535,701	(3,958,844)	401,900

Glorious Creation Limited
Condensed Interim Statements of Cash Flows
Expressed in Canadian dollars
Unaudited

	Six months ended June 30, 2021	Six months ended June 30, 2020
	\$	\$
Operating activities		
Net loss for the period	(80,892)	(51,543)
Non-cash items:		
Share-based compensation	-	12,866
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(18,533)	(948)
, Due to/from related parties	4,616	10,500
Total cash used in operating activities	(94,809)	(29,125)
Financing activities		
Proceeds from loan	-	21,000
Total cash provided by financing activities	-	21,000
Change in cash	(94,809)	(8,125)
Cash, beginning of the period	509,229	12,096
Cash, end of the period	414,420	3,971

Supplement disclosure with respect to cash flows (Note 10)

Glorious Creation Limited

Notes to the Condensed Interim Financial Statements

Expressed in Canadian dollars

Unaudited

For the six months ended June 30, 2021

1. NATURE OF OPERATIONS

Glorious Creation Limited (the "Company") was incorporated under the Canada Business Corporations Act on December 24, 2015 and was registered as an extra-provincial company in British Columbia on January 28, 2016. On September 5, 2017, the Company completed its initial public offering ("IPO") and trading of the Company's common shares commenced on the Canadian Securities Exchange ("CSE").

The Company is currently identifying and evaluating new potential assets or business acquisition.

The Company's head office and principal address is 405 - 1328 West Pender Street, Vancouver, BC, Canada and the registered and records office of the Company is located at Suite 1120 – 625 Howe Street, Vancouver, BC, Canada.

These condensed interim financial statements were authorized for issue by the Board of Directors on July 21, 2021.

2. BASIS OF PREPARATION AND GOING CONCERN

Statement of compliance

These unaudited condensed interim financial statements ("Financial Statements") have been prepared in accordance with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted and therefore, these unaudited condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Going concern

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations and commitments in the normal course of business. The Company currently is looking for new assets or business to acquire. It has no business that can generate revenue. At June 30, 2021, the Company had cash of \$414,420 (December 31, 2020 - \$509,229), a working capital of \$401,900 (December 31, 2020 - \$482,792) and a deficit of \$3,958,844 (December 31, 2020 - \$3,877,952).

In the past, operating and development capital requirements have been funded primarily from equity financing and the Company will need to arrange equity or other financing in the near future in order to continue in operation. While the Company has been successful in raising capital in the past, there can be no assurance that such financing will be available to the Company in the amount required or that it can be obtained on terms satisfactory to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Glorious Creation Limited

Notes to the Condensed Interim Financial Statements

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Unaudited

For the six months ended June 30, 2021

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) Going concern evaluation

As discussed in note 2, these financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period.

(iii) Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

4. SIGNIFICANT ACCOUNTING POLICIES

These Condensed Interim Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited consolidated financial statements for the year ended December 31, 2020.

New, amended and future accounting pronouncements

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Glorious Creation Limited

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For the six months ended June 30, 2021

5. LOANS

The Company's significant debt financing transactions are as follows:

	Loans
	\$
Balance, at December 31, 2029	210,000
Advances	27,000
Repayments	(237,000)
Balance, at December 31, 2020 and June 30, 2021	-

During the year ended December 31, 2020, the Company received loans of \$27,000 from private lenders. The loans bear no interest and mature on demand by the lenders. As of December 31, 2020, the loans were fully repaid.

6. SHAREHOLDERS' EQUITY

Share capital

Authorized:

Unlimited common shares without par value

As of June 30, 2021, the Company has 20,983,389 (December 31, 2020 – 20,983,389) common shares outstanding.

There was no share issuance during the six months ended June 30, 2021.

During the year ended December 31, 2020, the Company closed a private placement by raising \$1,000,000 through the issuance of 18,181,818 units at \$0.055 per unit. Each unit is comprised of one post-consolidated common share and one share purchase warrant entitling the holder to acquire one post-consolidated common share at a price of \$0.07 per post-consolidated share for a period of 48 months.

Share consolidation

On July 24, 2020, the Company consolidated its shares on a basis of one (1) post consolidated share for fourteen (14) pre consolidated shares. After share consolidation, the Company had 2,801,571 common shares issued and outstanding. In these financial statements, reference to common shares and per share amounts has been retroactively restated.

Stock options

In January 2017, the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

There were no stock option transactions during the six months ended June 30, 2021 or the year ended December 31, 2020.

Glorious Creation Limited

Notes to the Condensed Interim Financial Statements

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Unaudited

For the six months ended June 30, 2021

6. SHAREHOLDERS' EQUITY (continued)

Stock options (continued)

Option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2019	71,429	\$ 4.28
Cancelled	(53,572)	4.31
Balance, December 31, 2020 and June 30, 2021	17,857	\$ 4.20
Exercisable, December 31, 2020 and June 30, 2021	17,857	\$ 4.20

As at June 30, 2021, the following incentive stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
17,857	\$ 4.20	September 5, 2022

Warrants

On July 24, 2020, the Company closed a private placement by raising \$1,000,000 through the issuance of 18,181,818 units at \$0.055 per unit. Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire one common share at a price of \$0.07 per share for a period of 48 months.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2019	71,429	\$ 10.50
Issued	18,181,818	0.07
Expired	(71,429)	10.50
Balance, December 31, 2020 and June 30, 2021	18,181,818	\$ 0.07

Glorious Creation Limited

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For the six months ended June 30, 2021

6. SHAREHOLDERS' EQUITY (continued)

Warrants (continued)

As at June 30, 2021, the following warrants are outstanding:

Number of Options	Exercise Price	Expiry Date
18,181,818	\$ 0.07	July 24, 2024

7. RELATED PARTY TRANSACTIONS

- a) During the six months ended June 30, 2021, the Company paid or accrued management fees of \$15,750 (2020 - \$Nil) to a company controlled by the CEO of the Company. As of June 30, 2021, \$Nil (December 31, 2020 - \$384) was owed to the company controlled by the CEO.
- b) During the six months ended June 30, 2021, the Company paid or accrued management fees of \$12,600 (2020 - \$12,600) to a company controlled by the CFO of the Company. As of June 30, 2021, \$2,100 (December 31, 2020 - \$2,100) was owed to the company controlled by the CFO.
- c) During the six months ended June 30, 2021, the Company paid or accrued directors' fees of \$6,300 (2020 - \$Nil) to a company controlled by a director.
- d) During the six months ended June 30, 2021, the Company paid or accrued directors' fees of \$Nil (2020 - \$12,600) to two former directors.
- e) During the six months ended June 30, 2021, the Company accrued \$5,000 (2020 - \$Nil) to a law firm, a partner of which is a director of the Company. As of June 30, 2021, \$10,000 (December 31, 2020 - \$5,000) was owed to the law firm.

8. CAPITAL RISK MANAGEMENT

The Company defines capital as the items included in shareholders' equity (deficiency). The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern, ensure sufficient capital and liquidity to complete its technology developments, establish commercial markets and pursue its growth strategy.

To support these objectives, the Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize the development efforts, the Company does not pay out dividends during its development stage.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the reporting period.

Glorious Creation Limited

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Unaudited

For the six months ended June 30, 2021

9. FAIR VALUE AND RISK MANAGEMENT

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company measured its cash, accounts payable and accrued liabilities, and due to related parties at amortized cost. The carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

Credit risk

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash is held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash and receivables on its statement of financial position.

Currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no significant assets or liabilities and has no revenue or expenses denominated in a foreign currency; accordingly it is not exposed to foreign currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at June 30, 2021, the Company had a cash balance of \$414,420 (December 31, 2020 - \$509,229) to settle current liabilities of \$12,520 (December 31, 2020 - \$26,437). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company needs further funding to meet its short-term and long-term cash requirements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Other than transactions disclosed elsewhere, there were no significant non-cash investing and financing transactions during the six-month periods ended June 30, 2021 and 2020.