LIONS BAY MINING CORP.

Condensed Interim Financial Statements
For the Six Months Ended April 30, 2020

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Lions Bay Mining Corp. (the “Company”) have been prepared by and are the responsibility of management. These condensed interim financial statements for the six months ended April 30, 2020 have not been reviewed or audited by the Company’s independent auditors.

(Unaudited - Expressed in Canadian dollars)

As at		April 30, 2020		October 31, 2019
ASSETS				
CURRENT ASSETS				
Cash	$	167,930	$	228,980
GST receivable		2,746		2,284
Advances (note 5)		28,235		-
		198,911		231,264
Mineral property interests (note 6)		65,000		75,000
TOTAL ASSETS	**$**	**263,911**	**$**	**306,264**
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable	$	80,835	$	37,820
Accrued liabilities		5,000		18,332
Due to related parties (note 7)		87,000		60,000
TOTAL LIABILITIES		**172,835**		**116,152**
SHAREHOLDERS' EQUITY				
Share capital (note 8)		571,309		571,309
Reserves (note 8)		9,005		10,150
Deficit		(489,238)		(391,347)
TOTAL SHAREHOLDERS' EQUITY		91,076		190,112
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**263,911**	**$**	**306,264**

Going concern *(note 2)*
Subsequent Events *(notes 5, 8 and 11)*

These condensed interim financial statements were authorized for issue by the Board of Directors on June 24, 2020. They are signed on the Company's behalf by:

/s/ Jeremy Poirier
________________________________,
Director

/s/ William Heenan
________________________________,
Director

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

(Unaudited - Expressed in Canadian dollars)

	Three months ended April 30, 2020	Three months ended April 30, 2019	Six Months ended April 30, 2020	Six months ended April 30, 2019
OPERATING EXPENSES				
	$	$	$	$
General and administrative expenses	69	1,464	213	1,931
Investor relations	7,680	415	7,680	785
Management and consulting fees (note 7)	13,500	24,031	27,000	47,931
Meals and entertainment	-	2,368	3,718	2,368
Professional fees	36,172	19,455	47,209	44,993
Transfer agent, regulatory and listing fees	6,054	11,030	11,264	26,199
Travel and accommodation	1,941	-	1,941	-
	(65,416)	(58,763)	(99,025)	(124,207)
OTHER INCOME (LOSS)				
Foreign exchange loss	(9)	(198)	(11)	(198)
Interest income	-	8	-	8
	(9)	(190)	(11)	(190)
COMPREHENSIVE LOSS	**$ (65,425)**	**$ (58,953)**	**$ (99,036)**	**$ (124,397)**
	$	$	$	$
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of common shares outstanding	21,474,856	21,328,988	21,474,856	19,978,288

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

(Unaudited - Expressed in Canadian dollars)

	Number of outstanding shares[1]		Share capital		Reserve		Deficit		Total shareholders' equity (deficit)
Balance, October 31, 2018	**11,020,000**	**$**	**75,004**	**$**	**10,305**	**$**	**(161,226)**	**$**	**(75,917)**
Shares issued pursuant to private placement	10,000,000		500,000		-		-		500,000
Share issuance costs	-		(18,170)		5,570		-		(12,600)
Exercise of stock options	500,000		11,975		(5,725)		-		6,250
Exercise of warrants	50,000		2,500		-		-		2,500
Comprehensive loss	-		-		-		(124,397)		(124,397)
Balance, April 30, 2019	**21,570,000**	**$**	**571,309**	**$**	**10,150**	**$**	**(285,623)**	**$**	**(295,836)**
Exercise of stock options	2,496		-		-		-		-
Shares cancelled	(117,640)		-		-		-		-
Comprehensive loss	-		-		-		(105,724)		(105,724)
Balance, October 31, 2019	**21,454,856**	**$**	**571,309**	**$**	**10,150**	**$**	**(391,347)**	**$**	**190,112**
Forfeited stock options	-		-		(1,145)		1,145		-
Comprehensive loss	-		-		-		(99,036)		(99,036)
Balance, April 30, 2020	**21,454,856**	**$**	**571,309**	**$**	**9,005**	**$**	**(489,238)**	**$**	**91,076**

(1) Number of outstanding shares retroactively updated for 2:1 share split (note 8)

(Unaudited - Expressed in Canadian dollars)

For the six months ended		April 30, 2020		April 30, 2019
OPERATING ACTIVITIES				
Net loss	$	(99,036)	$	(124,397)
Net changes in non-cash working capital items:				
GST receivable		(462)		1,585
Prepaid expenses		-		4,862
Accounts payable and accrued liabilities		29,683		25,842
Due to related parties		27,000		(63,000)
Other receivables		-		(990)
Cash used in operating activities		**(42,815)**		**(156,098)**
INVESTING ACTIVITIES				
Funds advanced		(28,235)		-
Proceeds from mineral property option		10,000		-
Cash used investing activities		**(18,235)**		**-**
FINANCING ACTIVITIES				
Advances (repayment of advances) from former parent, net		-		(52,060)
Proceeds from issuance of common shares, net		-		487,400
Proceeds from warrants exercised		-		2,500
Proceeds from stock options exercised		-		6,250
Cash provided by financing activities		**-**		**444,090**
Change in cash		(61,050)		287,992
Cash, beginning of period		228,980		15,649
Cash, end of the period	**$**	**167,930**	**$**	**303,641**

1. NATURE OF OPERATIONS

Lions Bay Mining Corp. (the "Company") was a wholly owned subsidiary of Bearing Lithium Corp. ("Bearing") and was incorporated on April 25, 2018, pursuant to the provisions of the Business Corporations Act of BC. The Company is a mineral exploration company. The Company's shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "LBM". The registered and records office is located at Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

On July 19, 2018, the Board of Directors of Bearing approved a statutory arrangement (the "Arrangement") where it distributed the shares of the Company to the shareholders of Bearing on the basis of 0.049921 of the Company's shares for 1 common share of Bearing. The arrangement resulted in participating shareholders of Bearing holding, immediately following completion of the arrangement, 50% of the outstanding common shares in proportion to their holdings of common shares of Bearing and Bearing holding the remaining 50%. In accordance with the terms of the Arrangement, each holder of Bearing's options and warrants is entitled to receive a replacement option and warrant, each replacement option or warrant entitles the holder to acquire 0.049921 common share of the Company. At the time of the Arrangement, Bearing had a total of 185,228 outstanding warrants and 3,835,000 outstanding options. As a result of the Arrangement, the Company issued 11,020,000 shares, 382,892 stock options and 18,492 warrants. As at October 31, 2019, Bearing held nil% of the outstanding common shares.

Prior to the distribution, Bearing transferred, to the Company, its interest in (the "Fish Lake Project") located in Fish Lake Valley, central-western Nevada as well as the Bearing's interest in 4 additional mineral properties located in the Yukon, Canada (note 6).

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. The Company has implemented safety and physical distancing procedures, including working from home where possible and ceased all travel. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34 – Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are consistent with those of the previous financial year.

These condensed interim financial statements were approved and authorized by the Board of Directors on June 24, 2020.

(b) Basis of preparation

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

2. BASIS OF PREPARATION (continued)

(c) Going concern of operation

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity and debt financing, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

(d) Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

With the exception of the recently adopted accounting policy (note 4), these condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended October 31, 2019.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Changes in significant accounting policies and adoption of a new accounting standard

The Company adopted the requirements of IFRS 16 effective November 1, 2019. This new standard replaces IAS 17 Leases and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract based on whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all the economic benefits from the use of an identified asset and the right to direct the use of that asset. 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 the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets.

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short-term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company was not required to recognize any right-of-use assets and lease liabilities, as the Company had no leases outstanding.

4. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

For any new contracts entered on or after November 1, 2019, the Company considers whether a contract is or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Company assesses whether the contract meets three key evaluations, which are whether:

i. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
ii. The Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
iii. The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the statement of financial position. The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease, if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

5. ADVANCES

On April 17, 2020, the Company entered into a non-binding letter of intent to acquire BioVaxys LLC (“BioVaxys”) a private Delaware corporation. The Company agreed to provide BioVaxys with a secured bridge loan facility of up to US$200,000 bearing interest at a rate of 9%. An initial $28,235 (US$20,000) was advanced and a second tranche of up to US$180,000 to be made available for draw down following the execution of a definitive agreement. Subsequent to April 30, 2020, a definitive agreement was executed (note 11).

(Unaudited - Expressed in Canadian dollars)

6. MINERAL PROPERTY INTERESTS

On July 19, 2018, immediately prior to the closing of the Arrangement, the Company and Bearing entered into an Asset Purchase Agreement pursuant to which the Company acquired Bearing's interest in the Fish Lake Project located in Nevada, USA and Bearing's interests in the HY and Jay, VM and VBA properties located in the Yukon, Canada (collectively, the "North America Assets").

		Fish Lake Valley		Yukon		Total
Balance, October 31, 2018	**$**	**75,000**	**$**	**4**	**$**	**75,004**
Impairment		-		(4)		(4)
Balance, October 31, 2019	**$**	**75,000**	**$**	**-**	**$**	**75,000**
Option proceeds		(10,000)		-		(10,000)
Balance, April 30, 2020	**$**	**65,000**	**$**	**-**	**$**	**65,000**

Fish Lake Valley property

On September 27, 2017, as amended on May 2, 2018, September 21, 2018 and February 3, 2020, Bearing entered into an Option Agreement with American Battery Metals Corp. ("American Battery Metals") whereby American Battery Metals has the option to acquire a 50% interest in the Fish Lake Project (the "Option Agreement"). Bearing transferred its interest in the Fish Lake Project and the Option Agreement to the Company under the Asset Purchase Agreement.

Pursuant to the Option Agreement, to exercise its option, American Battery Metals was required to:

- make a cash payment in the initial amount of $20,000 (received by Bearing);
- issue 20,000 common shares (received by Bearing);
- make a cash payment of $10,000 for the amendment dated February 3, 2020 (received by the Company); and
- issue an additional 3,000,000 common shares to the Company on or before September 25, 2020.

American Battery Metals must incur an aggregate of $1,500,000 in exploration expenditures on the Fish Lake Project as follows:

- $60,000 on or before September 25, 2018 (incurred);
- $440,000 on or before June 30, 2020; and
- $1,000,000 on or before September 25, 2020.

If American Battery Metals exercises the option, the Company and American Battery Metals will form a joint venture on terms to be negotiated by the parties.

Yukon

On December 23, 2016, Bearing entered into an agreement with Golden Predator Mining Corp. ("Golden"), pursuant to which Golden has agreed to purchase all the Company's interest in certain mineral claims in the Yukon Territory. As partial consideration for the purchase agreement, Golden will pay an aggregate fee of $275,000, payable over 48 months from the execution date of the purchase agreement plus additional compensation.

On April 2, 2019, the Company terminated the property purchase agreement entered into with Golden. During the year ended October 31, 2019, the Company impaired the Yukon claims and wrote off related book value of $4.

(Unaudited - Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

The Company and Bearing, its former parent company, entered into the Arrangement (note 1). The Arrangement provides for the transfer from Bearing of mineral property interests (note 6) to the Company, a wholly-owned subsidiary, and the immediate distribution of a controlling interest in the common shares of the Company to the shareholders of Bearing as at July 19, 2018. The shareholders of Bearing, at the completion of the Arrangement, continued to collectively own the interest in Bearing's assets, albeit through an altered corporate structure. During the year ended October 31, 2019, Bearing's ownership decreased to nil%.

Key management compensation

Key management consists of the Officers and Directors who are responsible for planning, directing and controlling the activities of the Company. The following expenses were incurred to the Company's key management:

	Three months ended April 30, 2020	Three months ended April 30, 2019	Six months ended April 30, 2020	Six months ended April 30, 2019
Management and consulting fees	$ 13,500	$ 13,500	$ 27,000	$ 27,000
	$ 13,500	**$ 13,500**	**$ 27,000**	**$ 27,000**

As at April 30, 2020, the Company was indebted to the related parties for a total of $87,000 (October 31, 2019 - $60,000). The amount is non-interest bearing and has no terms of repayments.

8. SHARE CAPITAL

(a) Authorized common shares

Unlimited number of common shares without par value authorized for issue.

(b) Forward Stock-split

Effective April 29, 2020, the Company completed a forward split of its issued and outstanding common shares on the basis of two-for-one stock split of the Company's common shares. Shareholders received two new common shares for every one common share held. All references to share and per shares amounts in these condensed interim financial statements have been retroactively restated.

(c) Issued

There were no shares issuances during the six months ended April 30, 2020.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(c) Issued (continued)

Share capital activity for the year ended October 31, 2019:

(i) On November 21, 2018, the Company issued 10,000,000 units for proceeds of $500,000. Each unit consists of one common share and one warrant exercisable for a period of 2 years at an exercise price of $0.05 per share. The Company paid cash commissions of $12,210, other share issuance costs of $390 and issued 244,200 brokers' warrants with a fair value of $5,570. The brokers' warrants are exercisable for a period of 2 years at an exercise price of $0.05 per share. The brokers' warrants were valued using the following Black-Scholes Option Pricing Model assumptions: risk free rate of 2.23%, estimated annualized volatility of 75.55%, expected life of 2 years, exercise price of $0.05, expected dividend yield of 0% and share price of $0.105.

(ii) During the year ended October 31, 2019, 500,000 stock options were exercised for an exercise price of $0.0125 for proceeds of $6,250. Pursuant to the exercise, the Company reclassified $5,725 from reserves to share capital.

(iii) During the year ended October 31, 2019, 50,000 common share purchase warrants were exercised for an exercise price of $0.05 for proceeds of $2,500.

(iv) Pursuant to the Arrangement (note 1), the Company issued 382,892 stock options ("Bearing Options") which would be exercised concurrently with the exercise of the related Bearing stock option from under which the entitlement was granted. During the year ended October 31, 2019, 50,000 Bearing Options were exercised which triggered 2,496 common shares of the Company to be issued.

(v) During the year ended October 31, 2019, pursuant to the Arrangement (note 1), the Company cancelled and returned to treasury 117,640 common shares, which related to the cancellation of Bearing shares from under which the original Company shares were issued. Following completion of a merger between Li3 Energy Inc. ("Li3") and Bearing on September 28, 2017, the Li3 shareholders had 2 years to exchange their shares. As of September 28, 2019, any former shareholders of Li3 who did not exchange their shares, ceased to have any entitlement to common shares of Bearing and the related common shares of the Company.

(d) Stock options

The Company has a stock option plan (the "Plan") that permits the grant of share purchase options up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms and pricing of options are determined at the date of grant in accordance with the Plan. Stock option transactions and the number of stock options outstanding are summarized below:

	Number	Weighted Average Exercise Price ($)
Balance, October 31, 2018	**1,282,892**	**0.013**
Exercised	(502,496)	0.0125
Expired	(53,416)	0.014
Cancelled	(9,984)	0.0175
Balance, October 31, 2019	**716,996**	**0.014**
Forfeited	(159,904)	0.015
Balance, April 30, 2020	**557,092**	**0.013**

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(d) Stock options (continued)

Date of Expiry	Exercise Price ($)	Number of Options Issued and Exercisable
October 6, 2021	0.0199	82,368
October 24, 2021	0.0065	59,906
December 2, 2021	0.0125	12,480
January 5, 2022	0.0155	12,480
January 6, 2022	0.0145	22,464
May 4, 2022	0.0095	52,418
May 25, 2022	0.0207	14,976
July 5, 2023	0.0125	300,000
Balance, April 30, 2020		**557,092**

As of April 30, 2020, the weighted average remaining life for outstanding options was 2.47 years.

(e) Common share purchase warrants

Common share purchase warrants transactions and the number of common share purchase warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price ($)
Balance, October 31, 2018	**18,492**	**0.02**
Issued	10,000,000	0.05
Exercised	(50,000)	0.05
Expired	(18,492)	0.02
Balance, October 31, 2019 and April 30, 2020	**9,950,000**	**0.05**

Expiry Date	Exercise Price ($)	Number of Warrants Issued and Exercisable
November 21, 2020	0.05	9,950,000
Balance, April 30, 2020		**9,950,000**

During the six months ended April 30, 2020, common share purchase warrants granted were valued using the residual value method and had a fair value of $nil (2019 - $nil).

Subsequent to April 30, 2020, 2,780,000 common share purchase warrants were exercised for proceeds of $139,000.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(f) Brokers' warrants

Brokers' warrants transactions and the number of brokers' warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price ($)
Balance, October 31, 2018	**-**	**-**
Issued	244,200	0.05
Balance, October 31, 2019 and April 30, 2020	**244,200**	**0.05**

Expiry Date	Exercise Price ($)	Number of Warrants Issued and Exercisable
November 21, 2020	0.05	244,200
Balance, April 30, 2020		**244,200**

(g) Reserves

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

9. FINANCIAL INSTRUMENTS

Fair value

As at April 30, 2020, the Company's financial instruments consist of cash, advances, accounts payable, and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable market data.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The functional and reporting currency of the Company is the Canadian dollar. The Company is not exposed to significant foreign exchange risk.

9. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The does not have significant exposure to credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at April 30, 2020, the Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date.

As of April 30, 2020, the Company had cash of $167,930, accounts payable of $80,835, accrued liabilities of $5,000 and due to related parties of $87,000. The Company's accounts payable and accrued liabilities are due within 90 days. Amounts due to related party are due on demand. The Company addresses its liquidity through debt and equity financing obtained through the sale of common shares and the exercise of warrants and options. There is no assurance that it will be able to do so in the future. Liquidity risk is assessed as high.

10. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. As at April 30, 2020, the Company does not have any externally imposed capital requirements. The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through share issuances, option grants, warrant issuances and obtaining loans. The Company manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares or obtain new loans.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. The Company will need to raise additional funds since its current cash position is not sufficient to cover its anticipated operating budget for the next twelve months. Given sentiment and capital market conditions, there exists a material uncertainty as to the Company's ability to raise additional funds on favorable terms in order to continue as a going concern.

11. SUBSEQUENT EVENTS

On June 2, 2020, the Company executed a share exchange agreement (the “Definitive Agreement”) with BioVaxys Inc. whereby the Company will acquire all of the issued and outstanding shares of common stock of BioVaxys (the “Proposed Transaction”). Pursuant to the Proposed Transaction, the security holders and certain advisors of BioVaxys will receive an aggregate of 29,000,000 common shares (each, a “Common Share”) in the capital of the Company. In addition, as part of the Proposed Transaction the Company has agreed to advance US$200,000 (note 5) to BioVaxys, which shall be repayable by BioVaxys in the event the Proposed Transaction doesn’t not complete.

It is anticipated that the Proposed Transaction will constitute a “change of business” (a “COB”) of the Company in accordance with the policies of the Canadian Securities Exchange (the “CSE”) and will require the approval of the CSE. As a result the Company will be required to prepare and file a listing statement containing disclosure on the Proposed Transaction and BioVaxys. Following completion of the Proposed Transaction, the Company intends to change its name to “BioVaxys Inc”.

In connection with the Proposed Transaction, the Company intends to complete a non-brokered private placement (the “Offering”) of up to 13,636,363 units (the “Units”) at a price of $0.22 per Unit, for gross proceeds of up to $3,000,000. Each Unit is comprised of one common share and one-half of one whole common share purchase warrant (each whole warrant, a “Warrant”). Each warrant will entitle the holder thereof to acquire one common share at a price of $0.50 per common share for a period of 24 months.

In connection with the Offering, the Company may pay certain eligible finders (the “Finders”) a finders’ fee of up to 7% of the gross proceeds raised payable in finders warrants (“Finder Warrants”) and up to 7% in cash commissions. Each Finders Warrants will have the same terms as the Warrants.

Closing of the Proposed Transaction is subject to the satisfaction of customary closing conditions including regulatory and shareholder approvals, exercise of certain stock purchase warrants of BioVaxys and exchange of certain shares, consent to the transfer of a license agreement from BioVaxys to the Company upon closing and completion of the Offering.