

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

CONSOLIDATED FINANCIAL STATEMENTS

(Audited)

For the years ended May 31, 2021 and 2020

(Expressed in Canadian Dollars)

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Adam Kim

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INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Awakn Life Sciences Corp. (formerly 1169082 B.C. Ltd.)

Opinion

I have audited the financial statements of Awakn Life Sciences Corp. (formerly 1169082 B.C. Ltd.) (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2021 and May 31, 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2021 and May 31, 2020, and its financial performance and its cash flow for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$8,665 during the period ended May 31, 2021 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of \$26,872 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 consolidated 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 Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

“Adam Sung Kim Ltd.”
Chartered Professional Accountant

Unit# 168 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
September 9, 2021

Awakn Life Sciences Corp. (formerly 1169082 B.C. Ltd.)

Consolidated Statements of Financial Positions

As at May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars)

	Note	May 31, 2021 \$	May 31, 2020 \$
Assets		-	-
Liabilities			
Accounts payable and accrued liabilities	4	30,698	11,356
Due to related parties		5,851	5,851
Current and Total Liabilities		36,549	17,207
Shareholders' Deficiency			
Share Capital	5	1,000	1,000
Deficit		(37,549)	(18,207)
Total Shareholders' Deficiency		(36,549)	(17,207)
Total Liabilities and Shareholders' Deficiency		-	-

The accompanying notes are integral to these consolidated financial statements.

Nature and Continuance of Operations (Note 1)

Plan of Arrangement (Note 7)

Subsequent events (Note 11)

Approved and authorized for dissemination by the Board of Directors on September 9, 2021

/s/ George Scorsis

Director

/s/ Anthony Tennyson

Director

The accompanying notes are integral to these consolidated financial statements.

Awakn Life Sciences Corp. (formerly 1169082 B.C. Ltd.)

Consolidated Statements of Loss and Comprehensive Loss

For the years ended May 31, 2021 and 2020

(Expressed in Canadian dollars)

	For the year ended May 31, 2021 \$	For the year ended May 31, 2020 \$
Operating Expenses:		
Professional fees	7,378	9,568
Transfer Agent & Filing Fees	11,964	158
Management fees	-	1,500
General and administration	-	132
Net loss and total comprehensive loss for the year	(19,342)	(11,358)
Basis and diluted loss per common share	(0.10)	(0.06)
<i>Weighted average number of common shares outstanding</i>	199,968	199,968

The accompanying notes are integral to these consolidated financial statements.

Awakn Life Sciences Corp. (formerly 1169082 B.C. Ltd.)

Consolidated Statements of Shareholders' Deficiency

For the years ended May 31, 2021 and 2020

(Expressed in Canadian dollars, except the number of shares)

	Common Shares			Total
	Number	Share Capital	Deficit	
		\$	\$	\$
Balance, June 1, 2019	199,968	1,000	(6,849)	(5,849)
Loss for the year	-	-	(11,358)	(11,358)
Balance, May 31, 2020	199,968	1,000	(18,207)	(17,207)
Balance, June 1, 2020	199,968	1,000	(18,207)	(17,207)
Loss for the year	-	-	(19,342)	(19,342)
Balance, May 31, 2021	199,968	1,000	(37,549)	(36,549)

The accompanying notes are integral to these consolidated financial statements.

Awakn Life Sciences Corp. (formerly 1169082 B.C. Ltd.)

Consolidated Statements of Cash Flows

For the years ended May 31, 2021 and 2020

(Expressed in Canadian dollars)

	For the year ended May 31, 2021 \$	For the year ended May 31, 2020 \$
Cash flows from operating activities		
Loss for the year	(19,342)	(11,358)
Change in non-cash working capital items:		
Accounts payable and accrued liabilities	19,342	5,859
Cash used in operating activities	-	(5,499)
Cash flows from financing activities		
Advances from related parties	-	5,499
Cash provided by financing activities	-	5,499
Net change in cash and cash equivalents for the year	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	-	-

Supplementary information

Cash paid for interest	\$	-	\$	-
Cash paid for income taxes	\$	-	\$	-

The accompanying notes are integral to these consolidated financial statements.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

1. Nature and Continuance of Operations

Awakn Life Sciences Corp. (formerly 1169082 B.C. Ltd.) (the "Company") was incorporated as a wholly-owned subsidiary of reporting issuer Hemagenetics Technologies Corp. ("HTC") on June 21, 2018 under the laws of British Columbia, Canada. The Company's head office is located at 5728 East Boulevard, Vancouver, BC V6M 4M4. The Company's business is in the healthcare sector.

At May 31, 2021, the Company had not yet achieved profitable operations, has accumulated losses of \$37,549 since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. 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 liabilities in the normal course of business.

Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these consolidated financial statements.

2. Basis of Presentation

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Significant accounting policies are described in the Note 3. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these consolidated financial statements are presented below.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

2. Basis of Presentation (continued)

b. Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 1233705 B.C. Ltd. and 2835516 Ontario Ltd. 1233705 B.C. Ltd was incorporated under the British Columbia Business Corporations Act on December 13, 2019 and 2835516 Ontario Lid. We incorporated under the Ontario Business Corporation Act on April 26, 2021.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Wholly-owned subsidiaries are entities controlled by the Company and where the parent owns 100% of the shares. The financial statements of wholly-owned subsidiaries are included in the Company's consolidated financial statements from the date that control commences until the date that control ceases.

All intercompany balances and transactions, and any revenues and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

c. Basis of presentation

These consolidated financial statements have been prepared using the historical cost convention except for some financial instruments that have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("\$").

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

2. Basis of Presentation (continued)

d. *Significant accounting judgments and estimates*

The preparation of these consolidated financial statements in conformity with IFRS that requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) *Ability to continue as a going-concern*

Management assesses the Company's ability to continue as a going-concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

(ii) *Impairment of financial assets*

The carrying value and the recoverability of financial assets, which are included in the statements of financial position are assessed at each reporting date to determine recoverability and whether there are any indications of impairment.

The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's financial assets. External sources of information considered are changes in the Company's economic, legal and regulatory environment which it does not control but affect the recoverability of its financial assets. Internal sources of information the Company considers include the manner in which intangible asset are being used or are expected to be used and indications of economic performance of the assets.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

2. Basis of Presentation (continued)

d. Significant accounting judgments and estimates (continued)

(iii) Income taxes

The Company operates in British Columbia, Canada and subject to its provincial corporate tax rates and rules of taxation. The Company calculates deferred income taxes based upon temporary differences between the assets and liabilities that are reported in its consolidated financial statements and their tax bases as deferred tax assets or liabilities, when applicable, as determined under applicable tax legislation.

The future realization of deferred tax assets can be affected by many factors, including: current and future economic conditions, net realizable fair market value, and can either be increased or decreased where, in the view of management, such change is warranted. No deferred tax assets have been deemed probable to date.

e. COVID-19

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. 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.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

3. Significant Accounting Policies

The accounting policies set out below are in effect for the years ended May 31, 2021 and 2020, and have been applied consistently to all periods presented in these consolidated financial statements.

a. Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less.

The Company has no cash equivalents as of May 31, 2021 or prior periods.

b. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income 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 income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

c. Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and 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 under IFRS 9:

Asset / Liability	Classification	Subsequent measurement
Accounts payable and due to related parties	Other financial liabilities	Amortized cost

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

3. Significant Accounting Policies (continued)

c. Financial instruments (Continued)

(ii) 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).

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.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of net (loss) income. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

(iii) 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 at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, 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.

(iv) 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 statements of net (loss) income. 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 statements of net (loss) income.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

3. Significant Accounting Policies (continued)

d. Impairment of financial assets

Financial assets, other than those at fair value through profit or loss (FVTPL), are assessed for indicators of impairment at each period end.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the Company or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence that can be estimated reliably indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If a financial asset measured at amortized cost is impaired, an amount equal to the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate is recognized as an impairment loss in the consolidated statement of operations. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying amount that would have been determined had no impairment charge been recognized in prior periods. Reversals of impairment charges are recognized in the consolidated statements of operations and comprehensive loss in the period in which they occur.

e. Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. Reviews are undertaken on an asset-by-asset basis. If the carrying amount of a non-financial asset exceeds the recoverable amount, being the higher of its fair value less costs to sell and its value-in-use, an impairment loss is recognized in net earnings as the excess of the carrying amount over the recoverable amount.

Where the recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed production plans. The mine plan is the basis for forecasting production output in each future year and for forecasting production costs. For value-in-use calculations, production costs and output may be revised to reflect the continued use of the asset in its present form.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

3. Significant Accounting Policies (continued)

e. Impairment of non-financial assets (continued)

Non-financial assets that have suffered an impairment are tested for a possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. In these instances, the impairment loss is reversed to the recoverable amount but not beyond the carrying amount, net of amortization, that would have arisen if the prior impairment loss had not been recognized. Goodwill impairments are not reversed.

f. Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Company's shareholders. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

g. Loss per share

Basic loss per share is computed by dividing the net comprehensive loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

h. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

*(Expressed on Canadian dollars)***4. Accounts Payable and Accrued Liabilities**

As at	May 31, 2021 \$	May 31, 2020 \$
Accounts payable	27,198	7,856
Accrued liabilities	3,500	3,500
	30,698	11,356

5. Share Capital

- Authorized — Unlimited Common shares, without par value
— Unlimited Preferred shares, without par value

Issued and Outstanding: 199,968 common shares as of May 31, 2021 and May 31, 2020

Reserved for issuance: nil (see Note 7)

6. Related Party Transactions

Due to related parties is comprised of \$5,851 (2020: \$5,851) due to a company controlled by a director of the Company. These are unsecured, non-interest bearing and due on demand.

During the year ended May 31, 2021, the following transactions occurred with a related party:

	Year ended May 31, 2021 \$	Period ended May 31, 2020 \$
Key management transactions:		
Management fees to the director of the Company	-	1,852
Professional fees to a company related to the director of the Company	-	3,999

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

7. Letter of intent

On November 15, 2019, the Company entered into a non-binding letter of intent with Greeny Collaboration Group (Canada) Inc. ("Greeny"), which sets out the terms and conditions relating to a proposed transaction pursuant to which the Company would acquire the business of Greeny. Following completion of the Transaction, the Company would continue to carry on the business of Greeny. The LOI has been terminated during the year ended May 31, 2020.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

8. Capital Disclosures

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its search for business opportunities. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities.

In order to continue its search for business opportunities and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new business opportunities and/or seek to acquire other businesses if it feels there is sufficient economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

9. Financial Instruments

The Company has classified its financial instruments as follows:

Asset / Liability	Classification	Subsequent measurement
Accounts payable and due to related parties	Other financial liabilities	Amortized cost

The Company's financial instruments measured at fair value on the statement of financial position consist of cash and cash equivalents. Cash and cash equivalents are measured at level 1 of the fair hierarchy. The carrying value of accounts payable and accrued liabilities approximate their fair value because of the relatively short-term nature of these instruments.

There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at May 31, 2021 as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets				
Cash	—	—	—	—
	—	—	—	—

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

(Expressed on Canadian dollars)

9. Financial Instruments (Continued)

The Company had no cash equivalents as of May 31, 2021 and 2020.

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

Credit risk

The Company is not exposed to credit risk. The Company's cash will be held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company will maintain cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company is not exposed to any potential credit losses.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities.

Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Awakn Life Sciences Corp. (formerly 1169082 B.C. LTD.)

Notes to the Consolidated Financial Statements

May 31, 2021

*(Expressed on Canadian dollars)***10. Income Taxes**

The Company has accumulated non-capital losses expire as follows (tax attributes are subject to revision and potential adjustment by tax authorities):

YEAR	\$
2039	6,849
2040	11,358
2041	19,342

A reconciliation of income taxes at statutory rates is as follows:

	May 31, 2021	May 31, 2020
	\$	\$
Loss before income taxes	(19,342)	(11,358)
Effective tax rate	27.0%	27.0%
Expected income tax (recovery)	5,222	3,067
Tax effects of:		
Non-deductible expenses and other deductions	—	—
Change in unrecognized deferred income tax assets	(5,222)	(3,067)
Deferred income tax recovery	—	—

The significant components of the Company's deferred income tax assets not recognized are as follows:

	May 31, 2021	May 31, 2020
	\$	\$
Substantively enacted tax rate	27.0%	27.0%
Deferred income tax assets:		
Non-capital losses	10,138	4,916
Net unrecognized deferred income tax assets	10,138	4,916

Estimated taxable income for the year is \$Nil. Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the Company can utilize the benefits from the deductible temporary differences and unused tax losses.

11. Subsequent events

On June 16, 2021, the Company completed its reverse takeover transaction of Awakn Life Sciences Inc. ("Awakn Inc.") (the "Transaction"). The Transaction was completed in accordance with an amalgamation agreement dated May 13, 2021 (the "Amalgamation Agreement") among the Company, a subsidiary of the Company and Awakn Inc.

In accordance with the Amalgamation Agreement, effective as of June 15, 2021, the Company changed its name to Awakn Life Sciences Corp. and consolidated its issued and outstanding shares on the basis of one (1) post-consolidation share for every 42.5105 pre-consolidation shares (the "Consolidation"). Unless otherwise noted, all figures have been retroactively restated to reflect the share consolidation.