Dominion Water Reserves Corp.

Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2020 and 2019

Dominion Water Reserves Corp.
Contents
For the three and nine months ended September 30, 2020 and 2019

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements ("financial statements") of Dominion Water Reserves Corp have been prepared by and are the responsibility of management and Board of Directors for all financial statement information and reporting are the responsibility of the management and Board of Directors. The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the financial statement notes. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the consolidated interim financial statements have been prepared within acceptable limits of materiality and are compliant with *IAS 34 - Interim Financial Reporting* as issued by the International Accounting Standards Board.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Regards,
Dominion Water Reserves Corp

Andrew Lindzon
Chief Executive Officer

Montreal, QC
November 30, 2020

NOTICE OF NO AUDITOR 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 the interim financial statements have not been reviewed by an auditor.

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 condensed interim 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.

Regards,
Dominion Water Reserves Corp

Andrew Lindzon
Chief Executive Officer

Montreal, QC
November 30, 2020

Dominion Water Reserves Corp.
Consolidated Interim Statements of Financial Positions
As at
(Unaudited – Prepared by Management)

	September 30, 2020	*December 31, 2019 (Audited)*
Assets		
Current		
Cash	**2,185**	110,806
Accounts and other receivable	**65,478**	85,425
Prepaid expenses and deposits	**4,000**	4,000
Total current assets	**71,663**	200,231
Non-current		
Property and equipment *(Note 6)*	**186,891**	187,120
Water rights *(Note 7)*	**4,348,000**	4,517,400
Total non-current assets	**4,534,891**	4,704,520
Total assets	**4,606,554**	4,904,751
Liabilities		
Current		
Accounts payable and accrued liabilities	**96,349**	147,704
Short-term convertible loan *(Note 9)*	**-**	503,565
Total current liabilities	**96,349**	651,269
Shareholders' equity		
Share capital *(Note 10)*	**9,785,482**	5,473,965
Warrants	**77,202**	-
Reserves	**721,593**	-
Equity component of short-term convertible debt *(Note 9)*	**-**	45,565
Deficit	**(6,074,072)**	(1,266,048)
Total shareholders' equity	**4,510,205**	4,253,482
Total liabilities and shareholders' equity	**4,606,554**	4,904,751

Approved on behalf of the Board

Director

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

Dominion Water Reserves Corp.
Consolidated Interim Statements of Loss and Comprehensive loss
For the three and nine months ended September 30, 2020 and 2019
(Unaudited – Prepared by Management)

	Three months ended September 30, 2020	*Three months ended September 30, 2019*	***Nine months ended September 30, 2020***	*Nine months ended September 30, 2019*
General and Administrative expenses				
Consulting fees *(note 12)*	**385,555**	79,010	**542,795**	79,010
Professional fees	**123,832**	153,871	**173,904**	153,871
Rent	**5,800**	8,000	**26,141**	8,000
Office	**2,031**	4,113	**9,500**	4,113
Travel	**18,042**	3,264	**20,071**	3,264
Meals and entertainment	**1,571**	2,532	**3,276**	2,532
Bank charges	**486**	1,611	**806**	1,611
Licenses, dues and subscriptions	**47,228**	-	**47,228**	-
Business taxes	**10,606**	5,000	**10,606**	5,000
Share-based payment	**(721,593)**	-	**(721,593)**	-
Amortization of Water rights	**56,467**	-	**169,401**	-
Amortization of property and equipment	**76**	-	**228**	-
Operating loss	**(1,373,287)**	(257,401)	**(1,725,549)**	(257,401)
Interest charges on short-term convertible loan	**45,505**	-	**44,130**	-
Listing expense *(Note 8)*	**(3,126,605)**	-	**(3,126,605)**	-
Net loss and comprehensive loss for the period	**(4,454,387)**	(257,401)	**(4,808,024)**	(257,401)
Loss per share				
Basic and diluted loss per share				
Net loss per common share, basic and diluted *(Note 11)*	**(0.07)**	(0.007)	**(0.08)**	(0.007)
Weighted average number of common shares outstanding	**64,042,064**	85,204,517	**56,278,938**	85,204,517

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

	Share capital	*Warrants*	*Reserves*	*Equity component of short-term convertible debt*	*Deficit*	*Total equity (deficiency)*
	$	**$**	**$**	**$**	**$**	**$**
Balance January 1, 2019	**633,965**	**-**	**-**	**-**	**(758,593)**	**(124,628)**
Issuance of share capital	**290,000**	**-**	**-**	**-**	**-**	**290,000**
Net loss for the period	**-**	**-**	**-**	**-**	**(257,401)**	**(257,401)**
Balance September 30, 2019	**923,965**	**-**	**-**	**-**	**(1,015,994)**	**(92,029)**
Balance January 1, 2020	**5,473,965**	**-**	**-**	**45,565**	**(1,266,048)**	**4,253,482**
Issuance of share capital	**3,771,517**	**-**	**-**	**-**	**-**	**3,771,517**
Warrants	**-**	**77,202**	**-**	**-**	**-**	**77,202**
Options	**-**	**-**	**721,593**	**-**	**-**	**721,593**
Conversion of debenture	**505,000**	**-**	**-**	**(45,565)**	**-**	**459,435**
Settlement of debt with shares *(1)*	**35,000**	**-**	**-**	**-**	**-**	**35,000**
Net loss for the period	**-**			**-**	**(4,808,024)**	**(4,808,024)**
Balance September 30, 2020	**9,785,482**	**77,202**	**721,593**	**-**	**(6,074,072)**	**4,510,205**

(1) Settlement of debt with shares resulting in a gain on settlement of debt of $40,962.

Dominion Water Reserves Corp.
Consolidated Interim Statement of Cash Flows
For the nine months ended September 30, 2020 and 2019
(Unaudited – Prepared by Management)

	Nine months ended September 30, 2020	*Nine months ended September 30, 2019*
	$	$
Cash provided by (used for) the following activities		
Operating activities		
Net loss and comprehensive loss for the period	**(4,808,024)**	(257,401)
Amortization of Water Rights	**169,401**	-
Amortization of property and equipment	**228**	-
Listing expense	**3,126,605**	-
Share-based payment	**676,028**	-
Interest charge on convertible debt	**1,435**	-
	(834,327)	(257,401)
Changes in working capital accounts		
Accounts and other receivables	**19,947**	(32,575)
Prepaid expense	**-**	(5,150)
Accounts payable and accrued liabilities	**(51,356)**	(42,498)
	(865,736)	(337,624)
Investing activities		
Purchase of property and equipment	**-**	(2,100)
Purchase of water rights	**-**	(150,000)
	-	(152,100)
Financing activities		
Proceeds of issuance of shares	**207,115**	290,000
Issuance of shares	**550,000**	-
Short-term convertible loan	**-**	505,000
	757,115	795,000
Increase (decrease) in cash resources	**(108,621)**	305,276
Cash resources, beginning of the period	**110,806**	341
Cash resources, end of the period	**2,185**	305,617

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

1. General information

Dominion Water Reserves Corp. (the "Company") was incorporated under the Canada Business Corporations Act on October 26, 2015. The head office, principal address and records office of the Company are located at 609-1188 Avenue Union, Montreal, Quebec, H3B 05E.

Dominion Water Reserves Corp. is a company that acquires spring water permits to develop operations in the spring water market in Quebec and beyond. Dominion Water Reserves Corp. is the parent company of 6305768 Canada Inc. and Centre Piscicole Duhamel Inc ("the subsidiaries").

The Company is listed on the Canadian Securities Exchange (the "CSE") since August 10, 2020 under the symbol "DWR".

The interim financial statements and the MD&A have been reviewed and approved by the Company's Board of Directors on November 29, 2020.

Covid-19 outbreak

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

2. Going concern

As at September 30, 2020, Dominion Water Reserves Corp. has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of $6,074,072 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of $4,808,024 and used $865,735 of cash from operating activities.

The Company will need to raise additional funds to continue its operations. Although, the Company has been successful in attracting new investors and partners to fund the ongoing business, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on advantageous terms to the Company.

However, given the current cash position and foreseen cash inflows and outflows in the next 3 months, management believes that sufficient cash is available to fund the Company's operating expenses at least for the next 12 months considering additional cash raised during October 2020. As a result, the continuity of the Company depends to a significant extent on the willingness of (new or existing) shareholders and partners to invest in Dominion Water Reserves Corp. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the Company as the Company believes it will realize its assets and discharge its liabilities in the normal course of business.

The Company continually monitors its activities and associated expenditure closely to ensure effective deployment of resources.

3. Statement of compliance

These unaudited condensed financial statements for the nine months ended September 30, 2020 have been prepared in accordance with IAS 34 - Interim Financial Reporting. Significant accounting policies are described in the Note 5. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented below

4. Basis of preparation

Basis of measurement

The consolidated interim financial statements have been prepared in the historical cost basis except for certain financial instruments measured at fair value. The principal accounting policies are set out in Note 5.

Functional and presentation currency

These consolidated interim financial statements are presented in Canadian dollars, which is the Company and its subsidiaries' functional currency.

Significant accounting judgments and assumptions

The preparation of the Company's consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. These estimates and assumptions have been made using careful judgment; however, uncertainties could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are prepared based on management's best knowledge of current events and actions that the Company may undertake in the future. These estimates and underlying assumptions are reviewed on an ongoing basis and revisions to the accounting estimates are recognized prospectively in comprehensive income in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities for the ensuing period, involves significant judgment based on several factors, including expectation of future events that are believed to be reasonable under the circumstances.

Business Combinations
Determining whether an acquisition meets the definition of a business combination or represents an asset purchase requires judgment on a case by case basis. As outlined in IFRS 3, the components of a business must include inputs, processes and outputs.

4. Basis of preparation (continued)

Management makes judgments in the valuation of the consideration transferred, including determining the value of any contingent consideration. The consideration transferred for asset purchase is assigned to the identifiable tangible and intangible assets purchased and liabilities assumed based on their fair values at the date of acquisition. The identification of assets acquired, and liabilities assumed, and the valuation thereof is judgmental. Specifically the Company allocated the value of land acquired based on recent municipal evaluations and allocated the difference of the consideration transferred to water rights.

Recovery of deferred tax assets
The measurement of taxes payable and deferred tax assets and liabilities requires management to make estimates in the interpretation and application of the relevant tax laws. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

Classification of financial instruments
All financial assets are classified in one of the following categories: fair value through profit or loss or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial asserts upon initial recognition. Financial assets at fair value through profit or loss are financial assets classified as held for trading or upon initial recognition are designated by the Company as fair value through profit or loss. Financial assets are classified as held for trading if acquired with the intent to sell in the short-term.

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortized costs include cash and accounts and other receivables. Financial liabilities at amortized costs include accounts payable and accrued liabilities. Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

5. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated interim financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of consolidation

The interim consolidated financial statements incorporate the interim financial statements of the Company and its wholly-owned subsidiaries.

Subsidiaries are entities controlled by the Company. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and it has the ability to affect those returns through its power over the investee. In assessing control, only rights which give the Company the current ability to direct the relevant activities and that the Company has the practical ability to exercise, is considered.

The results of subsidiaries acquired or disposed of during the period are included in these consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Cash

Cash comprises cash in bank and demand deposits which are subject to an insignificant risk of changes in value.

5. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

All assets having limited useful lives are depreciated using the diminishing balance method over their estimated useful lives. Assets are depreciated from the date of acquisition.

The methods of depreciation and depreciation rates applicable for each class of asset during the current and comparative period are as follows:

	Method	***Rate***
Furniture and fixtures	declining balance	20 %

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

Intangible assets

The Company separately identifies acquired intangible assets, including water rights and records each of them at their fair value at the date of acquisition. The initial fair value of water rights is amortized over the useful lives using straight line method over 20 years.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of long-lived assets

At the end of each year, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating units ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU's, or otherwise they are allocated to the smallest group of CGU's for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

5. **Summary of significant accounting policies** (continued)

Financial instruments

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

Subsequent to initial recognition, all financial assets are classified and subsequently measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of accounts receivable.

Reclassifications

The Company reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivable. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts, breaches of borrowing contracts such as default events or breaches of borrowing covenants, requests to restructure loan payment schedules. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount. Transaction costs of equity transactions are treated as a deduction from equity.

5. Summary of significant accounting policies (continued)

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Convertible loans

Short-term loans are separated into their liability and equity components on the Statement of Financial Position. The liability component is initially recognized at fair value, determined as the net present value of future payments of interest and principal, discounted at the market rate for similar non-convertible liabilities at the time of issue. The liability component is subsequently measured at amortized cost, using the effective interest method, until extinguished upon conversion or maturity. The fair value of the equity component of debt is estimated using the residual method in which the difference between the face value of the instrument and the fair value of the liability component is allocated as the fair value of the equity component.

Leases

The Company has elected to not recognize right-of-use assets and lease liabilities for short-term rent leases. Short-term leases are leases with a term of twelve months or less. The Company recognizes the lease payments associated with these leases as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Income taxes

Taxation on the profit or loss for the period comprises of current and deferred tax.

Taxation is recognized in profit or loss except to the extent that the tax arises from a transaction or event which is recognized either in other comprehensive income or directly in equity, or a business combination.

Current Taxes

Current tax is the expected tax payable on the taxable income for the year using rates enacted or substantially enacted at the year end, and includes any adjustments to tax payable in respect of previous years.

Deferred Taxes

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Where an asset has no deductible or depreciable amount for income tax purposes, but has a deductible amount on sale or abandonment for capital gains purposes, the amount is included in the determination of temporary differences.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statements of financial position and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

Equity

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

Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period.

6. Property and equipment

	Land	*Furniture and fixtures*	*Total*
Cost			
Balance at January 1, 2020	**185,600**	**1,689**	**187,289**
Additions	**-**	**-**	**-**
Balance at September 30, 2020	**185,600**	**1,689**	**187,289**
Depreciation			
Balance at January 1, 2020	**-**	**169**	**169**
Depreciation charge for the period	**-**	**229**	**229**
Balance at September 30, 2020	**-**	**398**	**398**
Net book value			
At September 30, 2020	**185,600**	**1,291**	**186,891**

7. Water rights

	Balance, opening of the period	*Additions*	*Balance as at September 30, 2020*
Cost			
Water rights	**4,517,400**	**-**	**4,517,400**
	4,517,400	**-**	**4,517,400**
Accumulated amortization			
Amortization	**-**	**169,400**	**169,400**
	-	**169,400**	**169,400**
Carrying amount	**4,517,400**	**169,400**	**4,348,000**

8. Reverse acquisition accounting

On August 5, 2020, the Company completed an amalgamation with Tucker Acquisitions Inc. ("Tucker"), pursuant to an agreement signed on March 27, 2020. The Company and Tucker carried out a business combination by way of an amalgamation where the companies, both existing under the laws of Canada, amalgamated and formed one corporation under the provisions of the Canada Business Corporations Act and, upon the amalgamation taking effect, the Company's shareholders and Tucker's shareholders have received shares of the corporation continuing from the amalgamation.

On completion of amalgamation of DWR and Tucker, this transaction will result in a reverse acquisition by DWR. Accordingly, DWR is the accounting acquiror whereas Tucker is the accounting acquiree under IFRS.

As Tucker did not meet the definition of a business under *IFRS 3, Business Combinations*, the acquisition of Tucker was accounted for under *IFRS 2, Share Based Payment*. Under reverse acquisition accounting, the acquisition was measured at the fair value of the shares deemed to have been issued by the Company to Tucker shareholders in order for the ownership interest in the combined entity to be the same as if the acquisition had taken the legal form of the Company acquiring 100% of Tucker. The difference between the fair value of the consideration transferred and the fair value of Tucker's net assets acquired was recorded as a listing expense charge in the statement of loss and comprehensive loss. The result of listing expense was as follows:

Common share consideration	
Common shares deemed to be issued to Tucker shareholders	10,775,286
Estimated fair value of common shares	$ 0.35
	$ 3,771,350
Fair value of warrants	$77,202
Total consideration	**$ 3,848,552**
Tucker's net assets at fair value	
Cash	$ 835,819
Accounts and other receivable	1,980
Accounts payable and accrued liabilities	(115,852)
Tucker's net asset at fair value	**$ 721,947**
Excess (listing expense)	**$ 3,126,605**

9. Short-term convertible loan

On July 22, 2019, the Company received a convertible loan in the amount of $505,000 from a company with a common director and officer. The loan is unsecured and bears no interest. The loan is due on demand. During the year ended December 31, 2019, the Company accrued $44,130 in interest on the loan at an appropriate market rate. During the period of nine months ended September 30, 2020, the Company accrued $1,435 in interest on the loan at an appropriate market rate.

The loan was initially recognized at its face value less the value of the equity component of $45,565, as determined by discounting the loan at an appropriate market rate.

In April 2020, the Company settled the balance of this short-term convertible debt of $505,000 into 6,733,333 common shares at a fair value of $0.0068 per common share. The equity component of short-term convertible debt of $45,565 was reclassed to deficit.

10. Share capital

(a) *Authorized*
Unlimited number of common Class 'A' shares, voting, participating, without nominal or par value.

(b) *Capital stock*
The change in state share capital was as follows:

	Number of common shares	Stated share capital	Share issuance costs	Total
Balance, January 1, 2019	82,693,832	$652,113	$(18,148)	$633,965
Issuance of shares	11,600,000	290,000	-	290,000
Balance, September 30, 2019	94,293,832	$942,113	$(18,148)	$923,965
Balance, January 1, 2020	150,293,832	$5,492,113	$(18,148)	$5,473,965
Consolidation of 3:1	(100,195,888)	-	-	-
Issuance of shares	17,193,619	540,167	-	540,167
Fair value of common share consideration (reverse take-over)	-	3,771,350	-	3,771,350
Balance, September 30, 2020	67,706,563	$9,803,630	$(18,148)	$9,785,482

(i) On January 15, 2020, Tucker issued 250,000 common shares to the President of the Company as a management bonus. The Company also issued 80,000 common shares at an amount of $0.05 per share to EMD Financial Inc. as a finder's fees.

(ii) In April 2020, DWR settled the balance of its short-term convertible debt for an amount of $505,000 into 6,733,333 DWR common shares at a deemed price of $0.075 per common share. The equity component of short-term convertible debt of $45,565 was reclassed to deficit.

(iii) In May 2020, Tucker completed a non-brokered private placement of 1,571,429 Tucker common shares for gross proceeds of $550,000. There was a cash finders fee of 8% on gross proceeds resulting in net gross proceeds of $506,000. As part of the non-brokered private placement, Tucker issued 62,857 common shares as a partial finder's fees. These fees were recorded as share issuance cost under Equity.

(iv) Subject to the agreement of the applicable debt holder, in connection with and prior to the effective time of the reverse acquisition, a debt of DWR in the aggregate amount of $135,962 was be settled in consideration of a cash payment of $60,000 and an aggregate of 100,000 DWR common shares, resulting in a gain on settlement of debt of $40,962 as the fair value of the DWR Common Shares was determined to be $0.35 per share.

(v) In connection with the reverse acquisition, Tucker issued 1,500,000 Tucker common shares as finders fee to 514 Finance Inc. and converted special warrants into 6,896,000 common shares.

(vi) Prior to the Transaction between DWR and Tucker, DWR completed a share consolidation of 1 common share for every 3 pre-consolidation shares.

(vii) On completion of the amalgamation between DWR and Tucker, for each one (1) common share of Tucker, DWR has issued one (1) of its common shares. The 10,775,286 shares of DWR have been issued to Tucker's shareholders.

10. Share capital *(continued)*

(c) *Warrants issued*

	Number of warrants	Fair value
Balance, January 1, 2020	-	$-
Warrants issuance as finder's fees	307,857	$77,202
Balance, September 30, 2020	307,857	$77,202

(d) *Share purchase options*

The Company has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees and consultants. The number of shares to be reserved and set aside for issue under this plan is determined from time to time by the Board. All stock options granted in 2020 vest immediately and have a five-year term to expiry from the date of grant. The continuity of outstanding stock options outstanding is as follows:

	Number of stock options	Weighted average exercise price per share
Balance, January 1, 2020	-	$-
Granted	5,900,000	0.19
Balance, September 30, 2020	5,900,000	$0.19

On August 14, 2020, the Company issued 5,900,000 incentive stock options to directors, officers and consultants under the Company's stock option plan. The options are exercisable at a price of $0.19 per share for a period of up to five years expiring on August 14, 2025.

11. Loss per share

(a) Basic loss per share
Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period.

(b) Diluted loss per share
Diluted loss per share is computed by dividing net loss for a period by the diluted number of common shares. Diluted common shares include the effects of instruments, such share options, which could cause the number of common shares outstanding to increase.

The Company reported net losses for the period of nine months ended September 30, 2020; the Company has accordingly presented basic and diluted loss per share, which are the same, on a single line in the statements of loss.

12. Related party transactions

During the current period, the Company entered into transactions with shareholders and key management other than balances already disclosed in notes above. These transactions are in the normal course of operations. The balances are subject to normal terms of trade.

Transactions with shareholders and key management

	September 30, 2020	*September 30, 2019*
Consulting fees paid to a company controlled by a shareholder	**63,000**	-
Consulting fees paid to treasurer	**90,000**	48,900
Consulting fees paid to President and CEO	**66,500**	28,000
Amounts included in accounts payable	**28,430**	-

13. Financial instruments and risk management

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

(a) Fair value of financial instruments

The carrying values of cash, accounts and other receivables and accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. The fair value of the convertible debt is derived from market rates.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Company enters into transactions to purchase services on credit for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Company’s future net cash flows for the possibility of negative net cash flow.

The Company attempts to manage the liquidity risk resulting from its accounts payable by diversifying its sources of funding and by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at September 30, 2020, the Company had a cash balance of $2,185 to settle accounts payable and accrued liabilities of $96,349, but has raised additional funds of $650,000 in October 2020. Accounts payable are due within less than 90 days. The Company is exposed to significant liquidity risk. (Note 15).

(c) Credit Risk

Credit risk is the risk of financial loss to the Company because a counter party to a financial instrument fails to discharge its contractual obligations. Credit risk primarily arises from cash with banks and advances to related parties.

There is no provision for expected credit losses given that there are no advances to related parties outstanding as at September 30, 2020.

The Company reduces credit risk by dealing with creditworthy financial institutions and ensuring the creditworthiness of the related parties.

14. Capital management

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

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

The Company is not subject to externally imposed capital requirements.

15. Events after the reporting period

(a) On October 19, 2020, the Company raised a total of $650,000 by way of a non-brokered private placement of 6,500,000 Units, at an issue price of $0.10 per Unit. Each Unit consist of one common share in the capital of the Company and one Share purchase warrant. Each Warrant entitles the holder thereof to purchase one additional common share at a price of $0.15 per share for a period of 36 months following the closing of the financing.

(b) On October 26, 2020, the Company signed an definitive share purchase agreement pursuant to which the Company will acquire all of the issued and outstanding securities of 11973002 Canada Inc., a wholly owned subsidiary of Aquanord Inc., owning a 100% interest in the St-Joseph de Coleraine water sources.

In consideration for the acquisition for a total consideration of $650,000, the Company has paid $150,000 at the date of the signature of the definitive agreement, will issue an aggregate of 714,286 common shares at a deemed price of $0.35 per share at the date of the closing of the Acquisition, pay $150,000 at the date of the closing of the Acquisition, and pay the balance of $100,000 on March 1, 2021.