



Financial Statements

For the years ended June 30, 2022 and 2021



Independent Auditors' Report

To: The Shareholders of **Axiom Capital Advisors Inc.**

Opinion

We have audited the financial statements of Axiom Capital Advisors Inc. (the "Company"), which comprise the statements of financial position as at June 30, 2022 and 2021 and the statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that at June 30, 2022 the Company is dependent on obtaining additional revenue or securing future equity or debt financing for its working capital and development activities. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report (continued)

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this Independent Auditors' report is Roland A. Bishop, CPA, CA.

Kennedy Mack Stusarchuk Stewart

September 15, 2022
Calgary, Alberta

Chartered Professional Accountants

AXIOM CAPITAL ADVISORS INC.

Statements of Financial Position

(in C\$)	Notes	June 30, 2022	June 30, 2021
ASSETS			
Current assets			
Cash		\$ 5,865	\$ 2,490
Accounts receivable		17,556	-
GST receivable		-	3,193
Total current assets		23,421	5,683
Investments in private companies		181	-
Total assets		\$ 23,602	\$ 5,683
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 6,019	\$ 5,835
Due to related party	7	15,033	44,038
Total liabilities		21,052	49,873
SHAREHOLDERS' EQUITY			
Share capital	9	189,800	189,800
Deficit		(187,250)	(233,990)
Total Shareholders' equity		2,550	(44,190)
Total liabilities and shareholders' equity		\$ 23,602	\$ 5,683
Going concern	1		

The accompanying notes are an integral part of these financial statements

On behalf of the Board of Directors

(Signed) *Dwight Martin*

**Chairman of the Board and
Chief Executive Officer**

(Signed) *L. Evan Baergen*

Director and Chief Financial Officer

AXIOM CAPITAL ADVISORS INC.

Statements of Comprehensive Income (Loss)

(in C\$)	Notes	Year ended	
		June 30, 2022	June 30, 2021
Revenue			
Corporate finance fees		\$ 104,316	\$ 10,000
Administrative service fees			30,000
		104,316	40,000
Expenses			
Amortization of intangible asset		-	41,664
Professional fees		6,842	17,072
Regulatory fees		19,393	18,207
Rental payments		22,800	20,400
Bad debt		-	20,000
Impairment expense		-	65,976
Office expenses		8,227	10,950
Interest and bank charges		314	227
		57,576	194,496
Income (Loss) from operations		46,740	(154,496)
Comprehensive Income (Loss)		\$ 46,740	\$ (154,496)
Income (Loss) per share – basic and diluted		\$ 0.007	\$ (0.024)
Weighted average number of common shares		6,472,100	6,472,100

The accompanying notes are an integral part of these financial statements

AXIOM CAPITAL ADVISORS INC.

Statements of Changes in Equity

(in C\$)	Notes	Number of Shares	Share Capital Amount	Deficit	Total
Balance, June 30, 2020		6,472,100	\$ 189,800	\$ (79,494)	\$ 110,306
Income (Loss) for the year				(154,496)	(154,496)
Balance, June 30, 2021		6,472,100	189,800	(233,990)	(44,190)
Income (Loss) for the year				46,740	46,740
Balance, June 30, 2022	9	6,472,100	\$ 189,800	\$ (187,250)	\$ 2,550

The accompanying notes are an integral part of these financial statements

AXIOM CAPITAL ADVISORS INC.

Statements of Cash Flows

(in C\$)	Notes	Year ended	
		June 30, 2022	June 30, 2021
Cash provided by (used in):			
Operating activities			
Net Income (Loss) for the year		\$ 46,740	\$ (154,496)
Amortization of intangible asset		-	41,664
Impairment expense		-	65,976
Changes in non-cash working capital			
Accounts receivable and GST receivable		(14,363)	(3,193)
Accounts payable and accrued liabilities		184	(39,226)
Net cash used in operating activities		32,561	(89,275)
Investing activity			
Investments		(181)	-
Financing activity			
Advances from (to) related party		(29,005)	44,038
Increase (decrease) in cash		3,375	(45,237)
Cash, beginning of the year		2,490	47,727
Cash, end of year		\$ 5,865	\$ 2,490

The accompanying notes are an integral part of these financial statements

1. General business description and going concern

Axiom Capital Advisors Inc. (the "Company") is a corporation incorporated under the Business Corporations Act (Alberta) on January 28, 2020. The registered and head office address of the Company is 210, 2020 – 4 Street SW, Calgary, Alberta, T2S 1W3. The Company is a subsidiary of Axiom Advisors Inc.

The Company's principal activities include the administration and holding of private company investments.

Since the date of incorporation, the Company has issued and closed an Offering Memorandum for its Class A shares (the "Offering"), provided services pursuant to the administration agreement, put in place a management team, a board of directors and retained legal counsel.

The Company listed its shares on the Canadian Securities Exchange on August 13, 2020 under the symbol "ACA".

The business of the Company is to sell a minority interest in the subsidiaries it forms to arms-length purchasers, which allows the debt securities of the subsidiaries to be eligible for registered savings plans. A registered savings plan is a registered retirement savings plan, registered education savings plan, registered retirement income fund, a locked-in retirement account or a tax-free savings account. The promoters managing these subsidiaries use the capital raised at their own discretion, without reliance on the management or resources of the Company. The Company's management and capital are not committed to these subsidiaries.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. The measures 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.

The Company's ability to continue as a going concern depends upon it obtaining additional revenue or securing future equity or debt financing for its working capital and development activities.

2. Basis of presentation

Statement of compliance

2.1 These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements were authorized for issue by the Directors of the Company on September 15 2022.

Basis of measurement

2.2 These financial statements have been prepared on the historical cost basis except for items where an alternative basis is required by IFRS. Details on these items are included below in Note 3, Significant Accounting Policies.

2.3 Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

2.4

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Determination of fair values of subsidiaries and consolidation

The Company is the majority shareholder in a number of subsidiaries. The Company does not consolidate the financial statements of these subsidiaries (see Note 3.5). The contractual arrangements with the subsidiaries prohibit the Company from selling its investment and instead requires the Company to return its shares to the treasury of the subsidiary companies upon termination of the agreement in return for the original amount paid by the Company. Accordingly, the Company has determined that the fair value of the shares of these subsidiaries is the original amount paid for by the Company on acquisition.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Cash

Cash comprises of cash on hand, deposits held at banks and short-term, low-risk investments which can be quickly liquidated into known amounts of cash.

3.2

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.2.1 Financial assets

Classification

The Company classifies its financial assets in the following three categories:

- Assets carried at amortized cost ("Amortized Cost")
- Assets carried at fair value through other comprehensive income ("FVOCI")
- Assets carried at fair value through profit and loss ("FVTPL")

The classification depends on both the Company's business model for managing the financial instrument and the contractual terms of the instrument itself.

A financial asset is classified as Amortized Cost if the objective of the business model is to hold the financial asset for the collection of the cash flows; and all

contractual cash flows represent only principal and interest on that principal. The account receivable is classified as Amortized Cost.

A financial asset is classified as FVOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. The investments in private companies are classified as FVOCI.

All financial assets that do not meet the criteria to be classified as Amortized Cost or FVOCI are classified as FVTPL, which includes all derivative financial assets. The Company may make an irrevocable election to designate a financial asset that would otherwise be classified in another category as FVTPL. If the election is made it is irrevocable, meaning that asset must remain categorized as FVTPL until that asset is derecognized. Cash is classified as FVTPL.

Recognition and derecognition

Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Company. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Company has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets carried at Amortized Cost or FVOCI are initially measured at their fair value plus transactions costs. Financial assets carried at FVTPL are initially measured at their value, with any associated transaction costs being immediately expensed through profit or loss.

Subsequent measurement of financial assets depends on the category the asset has been assigned to.

Gains or losses on assets carried at Amortized Cost are recorded in profit or loss upon derecognition, or earlier if the asset is impaired.

Gains or losses on assets carried at FVOCI are recorded in other comprehensive income, except for impairment, interest, dividend and foreign exchange related gains and losses, which are recorded in profit or loss. Upon derecognition of an

asset categorized as FVOCI, the net gains or losses related to the asset previously recorded in other comprehensive income are reclassified to profit or loss.

Gains or losses on assets carried at FVTPL are recorded in profit or loss in the period in which they occur.

Impairment

The Company addresses at each reporting date whether there is objective evidence that a financial asset, other than those carried at FVTPL, or a group of financial assets, is impaired. When impairment has occurred, the carrying amount of the financial asset is reduced by the impairment loss directly and the loss is recognized in profit and loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

For financial assets carried at Amortized Cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate. An impairment loss on financial assets carried at Amortized Cost can be reversed if the reversal can be related objectively to an event occurring after the impairment was recognized. In such cases, the previously recognized impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

When an asset carried at FVOCI is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive loss are reclassified to the profit or loss in the period. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

3.2.2 Financial liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Company's own credit risk for financial liabilities, is considered when determining the fair value of financial

liabilities. Accounts payable and accrued liabilities and due to related party are financial liabilities that are not hedged.

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Related party transactions

- 3.3 All related party transactions and balances must be disclosed in the financial statements. This includes descriptions and amounts of the transactions, the amount of any outstanding balances and associated terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.

During the year the Company paid rent of \$7,200 (2021 - \$7,200) to a member of management.

3.4

Revenue recognition

The Company's revenue is recognized in accordance with IFRS 15 by applying the following five steps:

- Identify the contracts with the customers
- Identify the separate performance obligations
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is satisfied.

Management has concluded that performance obligations associated with initial and annual corporate finance fees are satisfied at the point in time when the agreements are executed and on the subsequent annual anniversary dates. Variable usage based corporate finance fees are recognized in the period the usage occurs.

Management has concluded that performance obligations associated with administration agreement are satisfied when billed on the basis that there is simultaneous receipt and consumption of benefits by the customer.

Subsidiaries

The Company relies on the guidance provided in IFRS 10, Consolidated financial statements to determine its accounting treatment of investments in its subsidiaries.

3.5

IFRS 10 provides a different definition of control for consolidation purposes than the typical definition used in determining legal control. Legal control is presumed to exist when an entity holds more than 50% of the voting shares in a corporation, since the entity then has the power to govern, or control, the corporation. However, IFRS 10 lays out three specific requirements that must be met for control to exist:

- i) power over the subsidiary;
- ii) exposure, or rights, to variable returns from its involvement with the subsidiary; and
- iii) the ability to use its power over the subsidiary to affect the amount of the subsidiary's returns.

While the Company holds majority ownership in the subsidiaries and can elect the Board of Directors and exert legal control over the entities, it has entered into agreements with each entity imposing long-term restrictions on the Company's ability to obtain future economic benefits through its shareholding. The investments do not meet the requirements or definition of control under IFRS 10 given the inability of the Company to use its control to affect the amount of its returns. The contractual arrangements allow the Company to earn corporate finance and administrative service fees from the subsidiaries but the Company does not have rights to receive any dividends or residual returns or any obligations to absorb losses of these subsidiaries. As the Company's investments do not meet all of the IFRS 10 criteria for control, the Company does not consolidate these subsidiaries for reporting purposes. The Company classifies its shareholdings in these subsidiaries as fair value through other comprehensive income. Therefore, gains or losses arising from changes in fair value of the shareholdings in these subsidiaries is recorded through other comprehensive income.

3.6

Income taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the statement of financial position are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary

differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactments occurs.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Earnings per share

- 3.7 The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to the equity shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share based payments using the treasury stock method. Under this method, stock options, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period.

4. Determination of fair values

Certain of the Company's accounting policies and disclosures require the determination of fair value for assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value are examined and classified according to a fair value hierarchy:

Level 1

Items that are classified at level 1 have their fair values determined by reference to quoted prices in active markets for identical assets and liabilities.

Level 2

Items that are classified at level 2 have their fair values determined using inputs other than quoted prices, for which all significant outputs are observable, either directly or indirectly, and

are based on valuation models and techniques where the inputs are derived from quoted indices.

Level 3

Items that are classified at level 3 have their fair values determined using inputs that are unobservable and significant to the overall fair value measurement.

The designation of the Company's assets which require the assessment of fair value are as follows:

- Cash, Level 1
- Investments in private companies and intangible asset, Level 3

5. Financial risk management

Overview

5.1

The Company's planned operations will expose it to a variety of financial risks that arise as a result of its operating and financing activities:

- credit risk;
- liquidity risk; and,
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

5.2

The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Company have the overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

At December 31, 2022 the account receivable is due from one major customer.

Axiom Capital Advisors Inc.
Notes to the Financial Statements
For the year ended June 30, 2022

During 2021 the Company recorded a bad debt expense of \$20,000 in regard to financial assets considered to be credit-impaired.

The maximum exposure to credit risk at June 30, 2022 is as follows:

Carrying value at June 30	2022	2021
Cash	\$ 5,865	\$ 2,490
Account receivable and GST receivable	17,556	3,193
Total	\$ 23,421	\$ 5,863

Liquidity risk

5.3

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Company's ongoing liquidity will be impacted by various external events and conditions.

The maximum exposure to liquidity risk at June 30, 2022 is as follows:

	2022	2021
Accounts payable and accrued liabilities	\$ 6,019	\$ 5,835
Due to related party	15,033	44,038
	\$ 21,052	\$ 49,873

The maturity analysis for non-derivative financial liabilities is, as of June 30:

	2022	2021
Due within 30 days	\$ 1,019	\$ 835
Due between 31 days and one year	20,033	49,038
	\$ 21,052	\$ 49,873

Market risk

5.4 Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's net income or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

5.5 Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company does not currently have any interest bearing debt, the Company is not exposed to interest rate risk.

The Company had no interest rate swaps or financial contracts in place as at or during the year ended June 30, 2022.

5.6 **Capital management**

The Company's capital management policy is to maintain a strong capital base that optimizes the Company's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its unitholders. The Company intends to maintain a flexible capital structure to maximize its ability to pursue additional opportunities, which considers the Company's early stage of development and the requirement to sustain future development of the business.

The Company will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Company monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Company is not subject to externally imposed capital requirements.

Axiom Capital Advisors Inc.
Notes to the Financial Statements
For the year ended June 30, 2022

6. Intangible asset

The Company acquired, from a corporation controlled by officers and directors of the Company, an administration agreement valued at \$125,000. The Company issued 5,000,000 Class A shares at a price of \$0.025 per share as consideration. The administration agreement is for the provision of specified services to a third party and provides monthly revenue of \$5,000 and is for a 36 month term.

The intangible asset is carried at cost less accumulated amortization of \$59,024 and impairment loss of \$65,976.

The Company assessed the intangible asset for indications of impairment and as at June 30, 2021, concluded that the carrying amount exceeds its recovery amount and recorded a \$65,976 write down.

7. Due to related party

The balance of \$15,033 (2021 - \$44,038) is due to the Axiom Advisors Inc., is non-interest bearing and has no fixed terms of repayment.

8. Income taxes

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 23% (2021 - 23%) to the income (loss) for the year as follows:

	2022	2021
Income (loss) for the year, before income taxes	\$ 46,740	\$ (154,496)
Anticipated income expense (tax recovery)	\$ 10,750	\$ (35,534)

	2022	2021
Utilization of tax losses previously unrecognized	\$ (10,750)	\$ -
Deferred tax asset not recognized	-	35,534
Income tax expense	\$ 0	\$ 0

Tax effect of the following:

The Company has non-capital tax losses of \$75,635 (2021 - \$116,501) which are available to reduce taxable income in future years. The non-capital tax losses if unutilized will expire as follows:

- 2040 - \$ 22,595
- 2041 - \$ 53,040

9. Share Capital

The Company has an unlimited number of Class A voting common shares, and an unlimited number of Class A, Class B and Class C preferred shares authorized for issue. In concurrence with its June 30, 2020 non-offering prospectus, the Company entered into an escrow agreement, and as of June 30, 2022, 2,521,845 Class A common shares are held in escrow and are scheduled for release in accordance with the terms of the escrow agreement and National Policy 46-201 Escrow for Initial Public Offerings.

10. Major Customers

During 2022 the Company had two (2021 – one) major customers that accounted for 49% and 37% (2021 – 75%) of revenue.