HAVN Life Sciences Inc.
(Formerly 1246780 B.C. LTD.)

Condensed Interim Financial Statements

For the three months ended July 31, 2020

(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

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 condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of HAVN Life Sciences Inc. (Formerly 1246780 B.C. LTD.) (the "Company") have been prepared by and are the responsibility of management. These condensed interim financial statements for the three months ended July 31, 2020 have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars.

HAVN Life Sciences Inc.
(Formerly 1246780 B.C. LTD.)
Condensed Interim Statements of Financial Position
As at July 31, 2020
(Expressed in Canadian dollars)

As at	Notes	July 31, 2020 (Unaudited)	April 30, 2020 (Audited)
ASSETS			
Current Assets			
Cash		$ 2,862,917	$ 1,616,985
GST/HST receivable		45,138	-
Prepaid expenses		768,718	75,000
Promissory note receivable	6	350,548	250,548
TOTAL ASSETS		4,027,321	1,942,533
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	304,173	41,109
SHAREHOLDERS' EQUITY			
Share capital	5	4,102,743	1,922,000
Contributed surplus	5	820,623	-
Subscriptions received	5	-	20,000
Deficit		(1,200,218)	(40,576)
Total equity		3,723,148	1,901,424
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 4,027,321	$ 1,942,533

Nature of operations – Note 1
Going concern – Note 2
Subsequent events – Note 10

These condensed interim financial statements were authorized for issue by the Board of Directors on September 29, 2020.

Approved on behalf of the Board of Directors:

"Barinder Rasode", Director *"Rick Brar",* Director

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

HAVN Life Sciences Inc.

(Formerly 1246780 B.C. LTD.)
Condensed Interim Statement of Loss and Comprehensive Loss
For the three months ended July 31, 2020
(Expressed in Canadian dollars)

	Notes		Three months ended July 31, 2020
EXPENSES			
Advertising and marketing		$	63,400
Bank charges and interest			524
Consulting fees			62,734
Finders' fees	5		342,357
Management fees	7		128,000
Office			18,000
Professional fees			198,309
Share-based payments	5 and 7		341,823
Transfer agent and filing fees			11,153
TOTAL OPERATING EXPENSES			(1,166,300)
OTHER ITEM			
Foreign exchange gain			6,658
			6,658
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		$	(1,159,642)
Loss per share, basic and diluted		$	(0.07)
Weighted average number of common shares outstanding – basic and diluted			16,583,718

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

HAVN Life Sciences Inc.
(Formerly 1246780 B.C. LTD.)
Condensed Interim Statements of Changes in Shareholders' Equity
For the three months ended July 31, 2020
(Expressed in Canadian dollars)

	Share Capital		Contributed surplus					
	Number	Amount	Options and RSRs	Special warrants	Finders' warrants	Subscriptions Received	Deficit	Total Equity
		$	$	$	$	$	$	$
Incorporation, April 8, 2020	-	-	-	-	-	-	-	-
Incorporation share issued	1	1	-	-	-	-	-	1
Incorporation share repurchased by the Company	(1)	(1)	-	-	-	-	-	(1)
Shares issued pursuant to private placements	16,474,000	1,922,000	-	-	-	-	-	1,922,000
Subscription receipts	-	-	-	-	-	20,000	-	20,000
Net loss for the period	-	-	-	-	-	-	(40,576)	(40,576)
April 30, 2020	**16,474,000**	**1,922,000**	**-**	**-**	**-**	**20,000**	**(40,576)**	**1,901,424**
Share issuance converted to special warrants	(9,550,000)	(191,000)	-	191,000	-	-	-	-
Special warrants	-	-	-	-	-	-	-	-
Issuance of special warrants for cash	-	-	-	264,900	-	-	-	264,900
Issuance of special warrants for consulting services	-	-	-	247,133	-	-	-	247,133
Shares issued pursuant to private placement	9,550,000	2,387,500	-	-	-	(20,000)	-	2,367,500
Finders' units	908,000	227,000	-	-	-	-	-	227,000
Share issuance costs	-	-	-	-	-	-	-	-
Cash	-	(192,357)	-	-	-	-	-	(192,357)
Finders' units	-	(27,500)	-	-	-	-	-	(27,500)
Finders' warrants	-	(22,900)	-	-	22,900	-	-	-
Fair value of options granted	-	-	84,702	-	-	-	-	84,702
Fair value of RSRs expected to vest	-	-	9,988	-	-	-	-	9,988
Net loss for the period	-	-	-	-	-	-	(1,159,642)	(1,159,642)
July 31, 2020	**17,382,000**	**4,102,743**	**94,690**	**703,033**	**22,900**	**-**	**(1,200,218)**	**3,723,148**

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

HAVN Life Sciences Inc.
(Formerly 1246780 B.C. LTD.)
Condensed Interim Statement of Cash Flows
For the three months ended July 31, 2020
(Expressed in Canadian dollars)

		Three months ended July 31, 2020
Cash (used in) provided by:		
OPERATING ACTIVITIES		
Net loss for the period	$	(1,159,642)
Item not involving cash:		
Share-based payments		341,823
Net changes in non-cash working capital items:		
GST/HST receivable		(45,138)
Prepaid expenses		(693,718)
Accounts payable and accrued liabilities		263,064
Net cash used in operating activities		(1,293,611)
INVESTING ACTIVITY:		
Promissory note receivable		(100,000)
Cash used in investing activity		(100,000)
FINANCING ACTIVITIES:		
Proceeds from the issuance of common shares		2,376,000
Proceeds from special warrants		455,900
Share issuance cost		(192,357)
Cash provided by financing activities		2,639,543
Net increase in cash		1,245,932
Cash, beginning of period		1,616,985
Cash, end of period	$	2,862,917

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

1. NATURE OF OPERATIONS

HAVN Life Sciences Inc. (formerly 1246780 B.C. LTD.) ("the Company") was incorporated under the laws of British Columbia on April 8, 2020 and as such, there are no comparative periods for presentation in the statement of loss and comprehensive loss and statement of cash flows. The Company's registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8. On September 8, 2020, the Company's shares began trading on the CSE under the symbol HAVN.

The Company has been active in establishing strategic relationships towards executing the goal of acquiring assets and businesses in the psychopharmacological industry, through an acquisition transaction. On June 3, 2020, the Company entered into a share purchase agreement (the "SPA") with HAVN Research Inc. ("HAVN"), a privately owned research and development biotechnology company. On September 4, the Company acquired all of the issued and outstanding securities of HAVN in exchange for the issuance of 15,233,333 common shares to the HAVN shareholders on a pro rata basis (the "Acquisition"). Consequently, the Acquisition constitutes control of HAVN by the Company, with HAVN representing a wholly owned subsidiary of the Company for accounting and reporting purposes and will be presented on a consolidation basis from the date of acquisition onwards.

In connection with completion of the Acquisition and acceptance of its Prospectus, the Company successfully began trading its shares on the CSE. The Company will focus its business on pursuing opportunities in the biotechnology healthcare industry.

These condensed interim financial statements of the Company for the three months ended July 31, 2020, were approved by the Board of Directors on September 29, 2020.

2. GOING CONCERN

The Company has incurred losses since inception and has no current source of operating revenue and is accordingly dependent upon the receipt of equity and/or related party debt financing on terms which are acceptable to it.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

3. BASIS OF PRESENTATION

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies below have been applied to all periods presented in these financial statements and are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

3.1. Basis of measurement

These financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, revenue and expense. Certain items are stated at fair value.

3.2. Significant judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Accounting Judgments

Going Concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Financial Instruments

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgements or assessments made by management.

3. BASIS OF PRESENTATION (CONTINUED)

3.1. Significant judgments, estimates and assumptions (continued)

Critical Accounting Estimates

Income Taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

3.3 Foreign Currency Translation

Functional currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The functional currency of the Company was determined to be the Canadian dollar.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rate prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred 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 taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as contributed surplus.

4.4 Share-based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options and warrants granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the options and warrants are measured on the date the services are received.

The fair value of share-based payments is charged either to profit or loss, with the offsetting credit to contributed surplus. For directors, employees and consultants, the compensation awards are recognized over the vesting period based on the best available estimate of the number of share awards expected to vest. If share awards vest immediately, the expense is recognized when the share awards are issued. Estimates are subsequently revised if there is any indication that the number of share awards expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share awards are recognized over the related service period. When share options or warrants are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in contributed surplus.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4.6 Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

4.7 Financial Instruments - Recognition and Measurement

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or 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 if the Company has opted to measure them at FVTPL.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial Instruments - Recognition and Measurement (continued)

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	FVTPL
Promissory note receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

(ii) Measurement

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 transaction costs are expensed in the statements of loss. 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 statement of loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost.

The Company recognizes 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 has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, 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

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 loss.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Comprehensive Loss

Total comprehensive loss comprises all components of profit or loss and other comprehensive loss. Other comprehensive loss includes items such as gains and losses on re-measuring financial instruments designated as FVTOCI financial assets and the effective portion of gains and losses on hedging instruments in a cash flow hedge.

4.9 Share Issuance Costs

Share issuance costs, which include commissions, facilitation payments, professional fees and regulatory fees, are charged directly to share capital. Share issue costs from the issuance of flow-through shares are charged directly to share capital and expensed in proportion to the value of the Company's shares at time of issue and any flow-through share premium.

4.10 Changes in Significant Accounting Policies

Accounting standard anticipated to be effective

There are no new standards issued, but not yet effective, that are anticipated to have a material impact on the Company's financial statements.

5. EQUITY

5.1 Authorized Share Capital

Unlimited number of common shares without par value.

5.2 Shares Issued

There are 17,382,000 common shares issued and outstanding as at July 31, 2020.

During the three months ended July 31, 2020, the Company:

i. During May 2020, all of the subscribers of the $0.02 private placement entered into special warrant subscription agreements at a price of $0.02 per special warrant. The replacement special warrant subscription agreements resulted in the termination of the previous $0.02 subscription agreements, and the cancellation of the underlying common shares. In total, the Company cancelled all 9,550,000 common shares on May 28, 2020.

ii. On May 28, 2020, the Company completed a private placement of 21,550,000 special warrants at a price of $0.02 per special warrant for total net proceeds of $431,000. Each special warrant automatically converts into a common share of the Company at the earlier of (a) the date that is four months and a day following the closing date and (b) the day on which a receipt for the final prospectus of the Company qualifying the distribution of its common shares underlining the special warrant is received.

5. EQUITY (CONTINUED)

5.2 Shares Issued (continued)

iii. During June 2020, the Company completed the following private placements:

a) Issued 249,000 special warrants at a price of $0.10 per special warrant for total net proceeds of $24,900. Each special warrant automatically converts into a common share of the Company at the earlier of (a) the date that is four months and a day following the closing date and (b) the day on which a receipt for the final prospectus of the Company qualifying the distribution of its common shares underlining the special warrant is received; and

b) Issued 9,550,000 units at a price of $0.25 per unit for total net proceeds of $2,387,500. Each unit consists of one common share and one warrant, with each warrant being exercisable at $0.50 per common share for a period of two years, provided that in the event that the common shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of $0.75 or more for a period of at least ten (10) consecutive trading days, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

In connection with completing the aforementioned private placements, the Company paid cash of $49,500 to finders', issued 110,000 finder's units and 198,000 finder's warrants. Each finder's unit consists of one common share and one warrant, with each warrant being exercisable at $0.50 per common share for a period of two years, provided that in the event that the common shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of $0.75 or more for a period of at least ten (10) consecutive trading days, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants. The finder's units were measured at a fair value of $0.25 per finders' unit for a total of $27,500. The finder's warrants have the same terms as those included in the units and were measured at a fair value of $72,439.

ii. On June 3, 2020, the Company entered into an Acquisition with HAVN. Under the terms of the Agreement, the Company is to acquire 100% of the outstanding shares of HAVN for an aggregate of 15,233,333 common shares of the Company (completed September 4, 2020, Note 10). In connection with completing the Acquisition, the Company paid cash of $142,857 and issued 798,000 units pursuant to finders' fees. Each unit consists of one common share and one warrant at an exercise price of $0.50 per warrant for a period of two years.

iii. During June 2020, the Company issued 12,356,667 special warrants in consideration for consulting fees totalling $247,133. Each special warrant automatically converts into a common share of the Company at the earlier of (a) the date that is four months and a day following the closing date and (b) the day on which a receipt for the final prospectus of the Company qualifying the distribution of its common shares underlining the special warrant is received.

(Expressed in Canadian dollars)

5. EQUITY (CONTINUED)

5.3 Warrants

At July 31, 2020, the following warrants were outstanding:

	Warrants		Exercise Price
April 30, 2020	6,924,000	**$**	0.50
Issued	9,550,000		0.50
July 31, 2020	**16,474,000**	**$**	**0.50**

Expiry date	Warrants		Exercise Price
Warrants			
April 20, 2022	4,000,000	$	0.50
April 29, 2022	2,924,000		0.50
May 27, 2022	3,340,000		0.50
June 5, 2022	6,210,000		0.50
Balance, July 31, 2020	**16,474,000**	**$**	**0.50**

At July 31, 2020, the weighted-average remaining life of the outstanding warrants was 1.79 years.

At July 31, 2020, the following finders' warrants were outstanding:

	Finders' warrants		Exercise Price
April 30, 2020	-	**$**	-
Issued	1,106,000		0.50
July 31, 2020	**1,106,000**	**$**	**0.50**

Expiry date	Warrants		Exercise Price
Warrants			
May 29, 2022	798,000		0.50
June 4, 2022	308,000		0.50
Balance, July 31, 2020	**1,106,000**	**$**	**0.50**

At July 31, 2020, the weighted-average remaining life of the outstanding finders' warrants was 1.83 years.

(Expressed in Canadian dollars)

5. EQUITY (CONTINUED)

5.3 Warrants (continued)

The fair value of finders' warrants was determined on the date of issuance using the following Black-Sholes Option Pricing Model assumptions:

		July 31, 2020		April 30, 2020
Share price	$	0.25	$	-
Exercise price	$	0.50	$	-
Expected life		2		N/A
Volatility		120%		N/A
Risk-free interest rate		0.32%		N/A

At July 31, 2020, the Company had 34,155,667 special warrants issued and outstanding. Each special warrant automatically converts into a common share of the Company at the earlier of (a) the date that is four months and a day following the closing date and (b) the day on which a receipt for the final prospectus of the Company qualifying the distribution of its common shares underlining the special warrant is received. Subsequent to period end, the Company received a receipt for its final prospectus and all special warrants were converted into shares of the Company.

On June 4, 2020, the Corporation issued an aggregate of 9,000,000 performance warrants to certain persons as consideration for the performance of ongoing consulting services. Each of the 9,000,000 performance warrant is exercisable to acquire one common share of the Company at a price of $0.05 for a period of three years from the date of issuance, and will vest and become exercisable when the Company completes an acquisition of an accretive business or asset having a value of $5,000,000 or greater either in a single or in a series of separate transactions in respect of which the vending party is identified and introduced to the Company by the holder of such performance warrants. As no acquisitions under these contracts have taken place the current estimate that these performance warrants will vest is 0% and as such, no expense has been recognized to date.

At July 31, 2020, the following performance warrants were outstanding:

	Performance warrants		Exercise Price
April 30, 2020	-	**$**	**-**
Granted, June 5, 2020	9,000,000		0.05
July 31, 2020	**9,000,000**	**$**	**0.05**

At July 31, 2020, the weighted-average remaining life of the outstanding performance warrants was 2.85 years.

(Expressed in Canadian dollars)

5. EQUITY (CONTINUED)

5.4 Options

On June 4, 2020, the Company granted 750,000 options at an exercise price of $0.25 to a director and officers of the Company. Of the total granted, 500,000 options vest quarterly over 12 months and 250,000 options vest on the date of grant.

At July 31, 2020, the following options were outstanding:

	Options		Exercise Price
April 30, 2020	**-**	**$**	**-**
Granted	750,000		0.25
July 31, 2020	**750,000**	**$**	**0.25**

Expiry date	Options		Exercise Price
Options			
June 4, 2025	750,000		0.25
Balance, July 31, 2020	**750,000**	**$**	**0.25**

The fair value of options was determined on the date of issuance using the following Black-Sholes Option Pricing Model assumptions:

		July 31, 2020		April 30, 2020
Share price	$	0.25	$	-
Exercise price	$	0.25	$	-
Expected life		5		N/A
Volatility		120%		N/A
Risk-free interest rate		0.46%		N/A

During the three months ended July 31, 2020, the Company recognized $84,702 in share-based payment expense pursuant to the grant and vesting of options.

5.5 Restricted Share Rewards

On June 4, 2020, the Company granted an aggregate total of 650,000 restricted share rewards ("**RSRs**") subject to certain vesting conditions. The grant date fair value of the awards was measured at $0.25 per RSR. During the three months ended July 31, 2020, the Company recognized a total of $9,988 in share-based payments expense for RSRs expected to vest.

(Expressed in Canadian dollars)

5. EQUITY (CONTINUED)

5.6 Equity Incentive Plan

On June 4, 2020, the Company established its equity incentive plan. The equity incentive plan provides for the grant to eligible directors and employees (including officers) of stock options and restricted share rights. The equity incentive plan also provides for the grant to eligible directors of deferred share units which the directors are entitled to redeem for 90 days following retirement or termination from the Board. The aggregate number of common shares that may be subject to issuance under the equity incentive plan, together with any other securities-based compensation arrangements of the Corporation, shall not exceed 20% of the Corporation's issued and outstanding share capital from time to time.

6. PROMISSORY NOTE RECEIVABLE

On April 20, 2020 the Company entered into a promissory note agreement (the "Note") with HAVN to advance $250,000 for the purpose of pursuing a transaction whereby the Company and HAVN would enter into the Acquisition (Note 10) with the effect that HAVN would become a wholly-owned subsidiary of the Company, and the Company would subsequently pursue a going-public transaction in respect of HAVN. The Note will accrue interest at 8% per annum, payable monthly in arrears and on the date of any prepayment or repayment. Pursuant to the completion of the acquisition transaction on September 4, 2020, this note has been forgiven.

At July 31, 2020, the Company has recognized accrued interest income of $548.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the directors and officers of the Company. Management compensation transactions for the months ended July 31, 2020 is summarized as follows:

		July 31, 2020
Management fees	$	128,000
Share-based payments (fair value)		94,690

As at July 31, 2020, $40,000 (April 30, 2020 - $nil) is owed to the CFO of the Company for unpaid fees.

7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

During the three months ended July 31, 2020, the Company recorded:

i) $38,000 included in management fees to the Co-CEO of the Company pursuant to CEO services provided. $33,305 included in share-based payments representing the fair value of vested amounts for 500,000 stock options granted to the Co-CEO. The Co-CEO was also granted 500,000 restricted share rights vesting subject to certain performance conditions;
ii) $40,000 included in management fees to the CFO of the Company pursuant to CFO services and $50,000 pursuant to Co-CEO, Director and President services provided. $61,385 included in share-based payments representing the fair value of vested amounts for 150,000 restricted share rewards and 250,000 stock options granted pursuant to CFO, Co-CEO, Director, and President services provided.

8. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its cash and share capital.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements.

9. RISK MANAGEMENT

9.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital Risk
The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

9. RISK MANAGEMENT (CONTINUED)

b. Credit Risk
Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. The Company currently holds a promissory note receivable. There is a risk that this amount will not be collectible due to unforeseen material events.

c. Liquidity Risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at July 31, 2020, the Company's working capital is $3,723,148 and it does not have any long-term liabilities. The Company may seek additional financing through equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2020, the Company had cash of $2,862,917 and total liabilities of $304,173.

d. Market Risk
Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

9.2 Fair Values

The carrying values of cash, promissory note receivable and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

10.2 Fair Values

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(Expressed in Canadian dollars)

10. SUBSEQUENT EVENTS

i) On September 4, 2020, the Company successfully acquired HAVN for an aggregate of 15,233,333 common shares of the Company (the "Purchaser Shares"). The Purchaser Shares issued to complete the SPA are subject to escrow terms with 1/10th of the Purchaser Shares released on date of successful listing (September 2, 2020), and the remaining shares released every 6 months over a 36-month escrow period.

Cost of acquisition		
Common shares issued: 15,233,333 common shares at $0.61 per share	$	9,292,333
Fair value of Net assets acquired		
Cash	$	3,171
Deposit and taxes receivable		6,586
Total assets	$	9,757
Current liabilities	$	31,234
Net liabilities acquired		**21,477**
Goodwill	**$**	**9,313,810**

Measurement period: The fair values of assets and liabilities as at acquisition date are still within the measurement period as defined in IFRS 3. As such, these values are subject to change.

In connection with entering into the original SPA on May 29, 2020, the Company paid $142,857 and issued 798,000 units pursuant to finder's fees measured at a fair value of $0.25 per unit for an aggregate total finders' fee expense of $342,357. Each unit consists of one common share and one warrant at an exercise price of $0.50 per warrant for a period of two years, provided that in the event that the common shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of $0.75 or more for a period of at least ten (10) consecutive trading days, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

ii) On September 14, 2020, the Company issued 200,000 common shares in respect of marketing services measured at a fair value of $0.70 per share.

(Expressed in Canadian dollars)

10. SUBSEQUENT EVENTS (CONTINUED)

iii) Subsequent to period end, the Company granted the following performance warrants, options and RSRs directors, officers, employees:

	Expiry date	Amount		Price
Performance Warrants	**September 4, 2023**	10,000,000	$	0.05
Options	**September 4, 2022**	1,600,000	$	0.25
Options	**September 4, 2022**	200,000	$	0.50
Options	**September 10, 2025**	2,135,000	$	0.65
RSRs	**September 4, 2023**	100,000		n/a
RSRs	**September 10, 2023**	500,000		n/a