BUSINESS ACQUISITION REPORT
(the "Report")

Item 1 Identity of Company

1.1 Name and Address of Company

Havn Life Sciences Inc. (the "**Company**")
3800 Wesbrook Mall, Vancouver, British Columbia V6S 2L9.

1.2 Executive Officer

Eli Dusenbury, Chief Financial Officer of the Company, is an executive officer of the Company who is knowledgeable about the significant acquisition and this Report, and can be contacted by telephone at (778) 953-4191

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Havn Research Inc. ("**Havn Research**") is a private biotechnology company engaged in the business of the research and development of psychopharmacological products, including the formulation of standardized psychoactive compounds derived from fungi which it proposes to supply to third parties for use in clinical trials and for the development and production of natural health products.

On June 3, 2020, the Company entered into a share purchase agreement (the "**Share Purchase Agreement**") with Havn Research and the vendors of Havn Research (the "**Vendors**"), pursuant to which, and subject to the terms and conditions of the Share Purchase Agreement, the Company agreed to acquire all of the issued and outstanding shares of Havn Research (the "**Havn Research Shares**").

For the purposes of go-forward accounting treatment, Havn Research is considered the acquired company.

2.2 Acquisition Date

The acquisition of Havn Research (the "**Acquisition**") was completed on September 4, 2020 (the "**Closing Date**").

2.3 Consideration

On the Closing Date, the Company acquired 1,000,000 Havn Research Shares representing 100% of the issued and outstanding Havn Research Shares. As consideration for the Havn Research Shares, the Company issued 15,233,333 common shares in the capital of the Company (the "**Common Shares**") to the Vendors, at a deemed value of $0.25 per Common Share.

2.4 Effect on Financial Position

Upon completion of the Acquisition, the business of Havn Research became the business of the Company. In connection with the Acquisition, the following executive officers and/or directors of Havn Research were appointed as executives and/or directors the Company:

Name	**Position with Havn Research**	**Position with Company**	**Description of Experience**
Barinder Rasode	Director and Executive Co-Chair	Director and President	Ms. Barinder Rasode has extensive experience in business development and founding non-for-profit organizations, politics as a two-term elected Councillor for the City of Surrey and has served on numerous boards in the health industry including serving on the Board of British Columbia's largest health authority, Fraser Health, where she was responsible for a budget of $3 billion. Ms. Rasode obtained her Bachelor of Arts in Political Science at Simon Fraser University. Ms. Rasode has served as an elected City Councillor of the City of Surrey, British Columbia from 2008 to 2014 and as a Member of the Board of Directors for Fraser Health Authority from 2015 to 2017, Ms. Rasode founded the National Institute of Cannabis Health and Education (NICHE), and is the Co-Founder of SheTalks (2015-Present) and Grow Tech Labs (2018-Present).
Susan Chapelle	President and Chief Executive Officer	Executive VP (R&D)	Ms. Susan Chapelle has extensive experience building innovative start-up businesses, leading and influencing changes that improve organizations and emergent industries, and scaling businesses in healthcare, technology, and collaborative workspaces. Mrs. Chapelle received her EMBA designation from the Beedie School of Business at Simon Fraser University. Mrs. Chapelle has worked on projects funded by the National Institute of Health (2013 to 2018), co-authored six (6) publications in peer-reviewed journals (between 2010 to 2018), a two-term elected politician for the district of Squamish (2011 to 2018), the President and Director of Operations at Squamish Integrated health (2000 to 2019), and was awarded Businessperson of the Year in 2018 by the Squamish Chamber of Commerce.
Ivan Casselman	Chief Psychedelics Officer	Chief Psychedelics Officer	Dr. Ivan Casselman is an ethnobotanist, analytical phytochemists, plant geneticists, and an experienced formulation chemist with a foundation in nutraceutical formulation and product development with global experience in advising executives and mentoring

			companies in the implementation of sound business and scientific strategies. Dr. Casselman received his PhD. in Plant Sciences from Southern Cross University in New South Wales in 2015 after finishing his Master of Science in Ethnobotany at The University of Kent in 2009. Dr. Casselman's work includes: Analytical Chemist at Southern Cross University (2011-2015), Director of R&D at NextLeaf Solutions (2018-2019), Director of Business Development at Thuja Wellness (2017-2019), and Science Advisor at Phytoconfluence Inc. (2017-Present). Dr. Casselman has also been a regular contributor to publications such as the Journal of Ethnopharmacology.
Alexzander Samuelsson	Chief Science Officer	Chief Research Officer	Mr. Alexzander Samuelsson has experience as a scientific advisor, public speaker, and advisor in regulatory compliance, formulations, and the development of intellectual property for patented extraction technology and processes. Mr. Samuelsson graduated with a Bachelor of Science in Chemistry from Ryerson University in 2014. Mr. Samuelsson has spoken at over 15 conferences worldwide, supported start-ups in their strategy and implementation of capital projects in Canada, Europe, Central and South Asia through his consulting company Development Catalyst, he has also been the lead chemist of NextLeaf Solutions (2017-2019), Founder and President of Development Catalyst Strategy Corp (2016-present), and the Chief Science Officer at Melabis (2019-Present).

2.5 Prior Valuations

To the knowledge of the Company there has not been any valuation opinions obtained within the last 12 months by Havn Research or the Company required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company or any of its subsidiaries in connection with the Acquisition.

2.6 Parties to Transaction

The Acquisition was not with an "informed person" (as such term is defined in Section 1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations*), associate or affiliate of the Company.

2.7 Date of Report

January 4, 2021

Item 3 Financial Statements and Other Information

The following is attached at Schedule "A" to this Report:

The audited financial statements of Havn Research Inc. for the period of incorporation on March 4, 2020 to July 31, 2020 together with the auditor's report thereon and notes thereto.

The unaudited (reviewed) condensed interim consolidated financial statements of Havn Research Inc. for the three months ended July 31, 2020 together with the notes thereto.

SCHEDULE "A"

Please see attached.

HAVN Research Inc.

Financial Statements

For the period from incorporation on March 4, 2020 to July 31, 2020

(Expressed in Canadian Dollars)

DeVISSER GRAY *LLP*
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITOR'S REPORT

To the Director of HAVN Research Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HAVN Research Inc. (the "Company"), which comprise the statement of financial position as at July 31, 2020 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on March 4, 2020 to July 31, 2020, 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 July 31, 2020 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Auditor's 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 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 2 in the financial statements, which indicates that the Company has incurred losses since inception and has no current source of operating revenue. As stated in Note 2, the Company's ability to continue as a going concern is dependent upon the receipt of equity and/or related party debt financing. These matters, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 judgment 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
November 16, 2020

HAVN Research Inc.
Statement of Financial Position
As at July 31, 2020
(Expressed in Canadian dollars)

As at	Notes		July 31, 2020
ASSETS			
Current Assets			
Cash		$	56,594
Amounts receivable			3,070
Prepaid expenses			3,150
TOTAL ASSETS			62,814
LIABILITIES			
Current			
Accounts payable and accrued liabilities			50,418
Promissory note payable	6		350,548
			400,966
Share capital	5		100
Deficit			(338,252)
Total equity (deficiency)			(338,152)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	62,814

Nature of operations – Note 1
Going concern – Note 2
Subsequent event – Note 12

These financial statements were authorized for issue by the Director on November 16, 2020.

Approved on behalf of the Director:

"Eli Dusenbury", Director

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

HAVN Research Inc.
Statement of Loss and Comprehensive Loss
For the period from incorporation on March 4, 2020 to July 31, 2020
(Expressed in Canadian dollars)

		Period ended July 31, 2020
EXPENSES		
Bank charges and interest	$	921
Consulting fees		258,500
Office and miscellaneous		5,453
Professional fees		64,228
Rent		9,150
TOTAL OPERATING EXPENSES		(338,252)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$	(338,252)
Loss per share, basic and diluted	$	(0.39)
Weighted average number of common shares outstanding – Basic and diluted		873,758

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

HAVN Research Inc.
Statement of Changes in Shareholders' Equity
For the period from incorporation on March 4, 2020 to July 31, 2020
(Expressed in Canadian dollars)

	Share Capital			
	Number	Amount	Deficit	Total Equity (Deficiency)
		$	$	$
Incorporation, March 4, 2020	-	-	-	-
Incorporation shares	10,000	1	-	1
Issuance of founders' shares	990,000	99	-	99
Net loss for the period	-	-	(338,252)	(338,252)
July 31, 2020	1,000,000	100	(338,252)	(338,152)

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

HAVN Research Inc.
Statement of Cash Flows
For the period from incorporation on March 4, 2020 to July 31, 2020
(Expressed in Canadian dollars)

		Period ended July 31, 2020
Cash (used in) provided by:		
OPERATING ACTIVITIES		
Net loss for the period	$	(338,252)
Items not involving cash:		
Accrued interest		548
Net changes in non-cash working capital items:		
Accounts payable and accrued liabilities		50,418
Amounts receivable		(3,070)
Prepaid expenses		(3,150)
Net cash used in operating activities		(293,506)
FINANCING ACTIVITIES:		
Proceeds from issuance of common shares		100
Proceeds from promissory note		350,000
Cash provided by financing activities		350,100
Net increase in cash		56,594
Cash, beginning of period		-
Cash, end of period	$	56,594

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

1. NATURE OF OPERATIONS

HAVN Research Inc. ('the Company') was incorporated under the laws of British Columbia on March 4, 2020. The Company's registered office is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The Company is a private company operating in the biotechnology healthcare industry. On June 3, 2020, the Company entered into a share purchase agreement (the 'SPA') with HAVN Life Sciences Inc. (formerly 1246780 B.C. Ltd.) ('HAVN Life'), a private company. Under the terms of the SPA, HAVN Life will acquire 100% of the issued and outstanding shares of the Company for an aggregate of 15,233,333 common shares of HAVN Life (the "Purchaser Shares").

The Purchaser Shares issued to complete the SPA will be subject to escrow terms, with 1/10th of the shares released on date of successful listing, and the remaining shares released every 6 months thereafter over a 36-month escrow period. Consequently, the transaction will constitute control of the Company by HAVN Life, with the Company representing a wholly-owned subsidiary of HAVN Life for accounting and reporting purposes

This transaction was completed on September 4, 2020 (see Note 12).

In connection with the completion of the share exchange transaction, HAVN Life completed its going-public transaction on September 2, 2020 and listed its shares on the Canadian Securities Exchange ('CSE'). The Company will focus its business on pursuing opportunities in the biotechnology healthcare industry.

These audited financial statements of the Company for the period ended July 31, 2020, were approved by the Director on November 16, 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.

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.

4.2 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.

4.2 Income Taxes (continued)

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.

4.3 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 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 share options is 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 share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options 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 options are recognized over the related service period. When share options 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.

4.5 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.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	FVTPL
Amounts receivable (excluding sales tax)	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note payable	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.

4.7 Financial Instruments - Recognition and Measurement (continued)

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.

4.8 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 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 1,000,000 common shares issued and outstanding as at July 31, 2020.

During the period ended July 31, 2020, the following share transactions occurred:

> On March 4, 2020, the Company issued 10,000 common shares at $0.0001 per common share for total proceeds of $1 pursuant to incorporation; and
>
> On March 23, 2020, the Company issued 990,000 common shares at $0.0001 per common share for total proceeds of $99 to founders of the Company.

(Expressed in Canadian dollars)

6. PROMISSORY NOTE PAYABLE

On April 20, 2020, the Company entered into a promissory note agreement (the "Note") with HAVN Life to receive $250,000 for the purpose of pursuing a transaction whereby the Company and HAVN Life would enter into the SPA (see Note 1) with the effect that the Company would become a wholly-owned subsidiary of HAVN Life, and HAVN Life would subsequently pursue a going-public transaction in respect of the Company. The Note will accrue interest at 8% per annum payable monthly in arrears and on the date of any prepayment or repayment.

During the period ended July 31, 2020, an additional $100,000 was advanced to Company with no fixed terms of repayment. In addition, HAVN Life ceased accruing interest on the Note as of April 30, 2020.

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

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the directors and officers of the Company.

During the period ended July 31, 2020, $35,000 was paid to an officer of the Company for CEO related services provided.

During the period ended July 31, 2020, $35,000 was paid to a company owned by an officer of the Company for CPO related services provided.

During the period ended July 31, 2020, $35,000 was paid to a company owned by an officer of the Company for CSO related services provided.

During the period ended July 31, 2020, $50,000 was paid to a director of the Company for Co-Chair related services provided.

During the period ended July 31, 2020, $50,000 was paid to a director of the Company for Co-Chair related services provided.

8. INCOME TAXES

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

	July 31, 2020
Loss for the period	$ (338,252)
Expected income tax recovery	(91,300)
Effect of non-deductible amounts	100
Change in unrecognized deductible temporary differences	91,200
Total income tax expense (recovery)	$ -

8. INCOME TAXES (continued)

The Company's deductible temporary differences and unused tax losses consist of the following:

	July 31, 2020
Deferred income tax asset:	
Non-capital loss carry forwards	$ 91,200

The Company did not recognize the deferred tax assets for the period ended July 31, 2020 as future taxable profits are uncertain.

The Company has non-capital losses of approximately $338,000 which may be carried forward and applied against taxable income in future years. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements and have been offset by a valuation allowance.

9. 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.

10. RISK MANAGEMENT

10.1 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.

b. Credit Risk
Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company.

10.1 Financial Risk Management (continued)

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 deficit is $338,152 and it does not have any long-term liabilities. The Company may seek additional financing through debt or 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 $56,594 and total liabilities of $400,966.

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.

10.2 Fair Values

The carrying values of cash, accounts payable and accrued liabilities and promissory note payable 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.

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).

11. COMMITMENTS

The Company entered into a lease agreement for office space, effective May 1, 2020. The term of the initial lease is one year, and renews on an annul basis thereafter unless terminated at least 60 days prior to the end of the initial lease term. The Company is required to make monthly lease payments of $3,150.

12. SUBSEQUENT EVENT

On September 4, 2020, HAVN Life successfully acquired the Company for an aggregate of 15,233,333 common shares of HAVN Life. 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 thereafter over a 36-month escrow period.

HAVN Research Inc.

Condensed Interim Financial Statements

For the three months ended July 31, 2020

(Unaudited – Expressed in Canadian Dollars)

HAVN Research Inc.
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
ASSETS					
Current Assets					
Cash		$	56,594	$	174,983
Amounts receivable			3,070		-
Prepaid expenses			3,150		25,000
TOTAL ASSETS			62,814		199,983
LIABILITIES					
Current					
Accounts payable and accrued liabilities			50,418		54,000
Promissory note payable	6		350,548		250,548
			400,966		304,548
Share capital	5		100		100
Deficit			(338,252)		(104,665)
Total equity (deficiency)			(338,152)		(104,565)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	62,814	$	199,983

Nature of operations – Note 1
Going concern – Note 2
Subsequent event – Note 11

These condensed interim financial statements were authorized for issue by the Director on December 30, 2020.

Approved on behalf of the Director:

"Eli Dusenbury", Director

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

HAVN Research Inc.
Condensed Interim Statement of Loss and Comprehensive Loss
For the three months ended July 31, 2020
(Expressed in Canadian dollars)

		Three months ended July 31, 2020
EXPENSES		
Bank charges and interest	$	256
Consulting fees		158,500
Office		5,453
Professional fees		60,228
Rent		9,150
TOTAL OPERATING EXPENSES		(233,587)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$	(233,587)
Loss per share, basic and diluted	$	(0.23)
Weighted average number of common shares outstanding – Basic and diluted		1,000,000

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

HAVN Research Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
For the three months ended July 31, 2020
(Expressed in Canadian dollars)

	Share Capital			
	Number	**Amount**	**Deficit**	**Total Equity (Deficiency)**
		$	$	$
Incorporation, March 4, 2020	-	-	-	-
Incorporation shares	10,000	1	-	1
Issuance of founders' shares	990,000	99	-	99
Net loss for the period	-	-	(104,665)	(104,665)
April 30, 2020	1,000,000	100	(104,665)	(104,565)
Net loss for the period	-	-	(233,587)	(233,587)
July 31, 2020	1,000,000	100	(338,252)	(338,152)

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

HAVN Research Inc.
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	$	(233,587)
Net changes in non-cash working capital items:		
Amounts receivable		(3,070)
Prepaid expenses		21,850
Accounts payable and accrued liabilities		(3,582)
Net cash used in operating activities		(218,389)
FINANCING ACTIVITIES:		
Proceeds from promissory note		100,000
Cash provided by financing activities		100,000
Net increase in cash		(118,389)
Cash, beginning of period		174,983
Cash, end of period	$	56,594

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

1. NATURE OF OPERATIONS

HAVN Research Inc. ('the Company') was incorporated under the laws of British Columbia on March 4, 2020 and as such, the comparative periods for the statement of loss and comprehensive loss and statement of cash flows are not presented. The Company's registered office is 2200 HSB Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The Company is a private company operating in the biotechnology healthcare industry. On June 3, 2020, the Company entered into a share purchase agreement (the 'SPA') with HAVN Life Sciences Inc. (formerly 1246780 B.C. Ltd.) ('HAVN Life'), a private company. Under the terms of the SPA, HAVN Life will acquire 100% of the issued and outstanding shares of the Company for an aggregate of 15,233,333 common shares of HAVN Life (the "Purchaser Shares").

The Purchaser Shares issued to complete the SPA will be subject to escrow terms, with 1/10th of the shares released on date of successful listing, and the remaining shares released every 6 months thereafter over a 36-month escrow period. Consequently, the transaction will constitute control of the Company by HAVN Life, with the Company representing a wholly-owned subsidiary of HAVN Life for accounting and reporting purposes

This transaction was completed on September 4, 2020 (see Note 11).

In connection with the completion of the share exchange transaction, HAVN Life completed its going-public transaction on September 2, 2020 and listed its shares on the Canadian Securities Exchange ('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 period ended July 31, 2020, were approved by the Director on December 30, 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 condensed interim 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 condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting ("IAS 34"), using accounting policies which are consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

3.1. Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these condensed interim financial statements have been prepared using accrual basis of accounting except for cash flow information. All monetary references expressed in these notes are references to Canadian dollar amounts. These condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Company.

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)

3.2. 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 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 share options is 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 share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options 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 options are recognized over the related service period. When share options 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.

The Company classifies its financial instruments as follows:

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial Instruments - Recognition and Measurement (continued)

(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.

4.8 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 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 condensed interim financial statements.

5. EQUITY

5.1 Authorized Share Capital

Unlimited number of common shares without par value.

5.2 Shares Issued

There are 1,000,000 common shares issued and outstanding as at July 31, 2020.

During the three months ended July 31, 2020, no share transactions occurred.

During the period from incorporation on March 4, 2020 to April 30, 2020, the following share transactions occurred:

On March 4, 2020, the Company issued 10,000 common shares at $0.0001 per common share for total proceeds of $1 pursuant to incorporation; and

On March 23, 2020, the Company issued 990,000 common shares at $0.0001 per common share for total proceeds of $99 to founders of the Company.

6. PROMISSORY NOTE PAYABLE

On April 20, 2020, the Company entered into a promissory note agreement (the "Note") with HAVN Life to receive $250,000 for the purpose of pursuing a transaction whereby the Company and HAVN Life would enter into the SPA (see Note 1) with the effect that the Company would become a wholly-owned subsidiary of HAVN Life, and HAVN Life would subsequently pursue a going-public transaction in respect of the Company. The Note will accrue interest at 8% per annum payable monthly in arrears and on the date of any prepayment or repayment.

During the three months ended July 31, 2020, an additional $100,000 was advanced to Company with no fixed terms of repayment. In addition, HAVN Life ceased accruing interest on the Note as of April 30, 2020.

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

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the directors and officers of the Company.

During the three months ended July 31, 2020, $21,000 was paid to an officer of the Company for CEO related services provided. Of this amount, $nil (April 30, 2020 – $7,000) was included in accounts payable and accrued liabilities as of July 31, 2020.

During the three months ended July 31, 2020, $21,000 was paid to a company own by an officer of the Company for CPO related services provided. Of this amount, $nil (April 30, 2020 – $7,000) was included in accounts payable and accrued liabilities as of July 31, 2020.

During the three months ended July 31, 2020, $21,000 was paid to a company owned by an officer of the Company for CSO related services provided. Of this amount, $nil (April 30, 2020 – $7,000) was included in accounts payable and accrued liabilities as of July 31, 2020.

During the three months ended July 31, 2020, $30,000 was paid to a director of the Company for Co-Chair related services provided. Of this amount, $nil (April 30, 2020 – $10,000) was included in accounts payable and accrued liabilities as of July 31, 2020.

During the three months ended July 31, 2020, $30,000 was paid to a director of the Company for Co-Chair related services provided. Of this amount, $nil (April 30, 2020 – $10,000) was included in accounts payable and accrued liabilities as of July 31, 2020.

Amounts due to related parties are non-interest bearing, unsecured and due on demand.

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.

b. Credit Risk
Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company.

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 deficit is $338,152 and it does not have any long-term liabilities. The Company may seek additional financing through debt or 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 $56,594 and total liabilities of $400,966.

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, accounts payable and accrued liabilities and promissory note payable 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.

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.

9. RISK MANAGEMENT (CONTINUED)

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).

10. COMMITMENTS

The Company entered into a lease agreement for office space, effective May 1, 2020. The term of the initial lease is one year, and renews on an annul basis thereafter unless terminated at least 60 days prior to the end of the initial lease term. The Company is required to make monthly lease payments of $3,150.

11. SUBSEQUENT EVENT

On September 4, 2020, HAVN Life successfully acquired the Company for an aggregate of 15,233,333 common shares of HAVN Life. 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 thereafter over a 36-month escrow period.