BUSINESS ACQUISITION REPORT
(the "Report")

Item 1 Identity of Company

1.1 Name and Address of Company

Havn Life Sciences Inc. (the "**Company**")
100-22071 Fraserwood Way, Richmond, BC V3W 1J5

1.2 Executive Officer

Gordon Clissold, 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 604-358-2268.

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

GCO Packaging and Manufacturing Ltd. ("**GCO**") is a private packaging and manufacturing company which operates a large-scale manufacturing, packaging and distribution facility that features a large warehouse with multi-level inventory racking, fully-equipped and functioning production and packaging rooms, and modern, fully-furnished boardroom, laboratory, and offices (the "**Facility**").

On January 25, 2021, the Company entered into a share purchase agreement, as amended pursuant to an amended and restated share purchase agreement dated April 7, 2021 (the "**Share Purchase Agreement**"), with GCO and the shareholders of GCO (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 GCO (the "**GCO Shares**").

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

2.2 Acquisition Date

The acquisition of GCO (the "**Acquisition**") was completed on April 7, 2021 (the "**Closing Date**").

2.3 Consideration

On the Closing Date, the Company acquired 250 GCO Shares representing 100% of the issued and outstanding GCO Shares. As consideration for the GCO Shares, the Company issued 6,000,000 common shares in the capital of the Company (the "**Common Shares**") to the Vendors, at a deemed value of $1.07 per Common Share.

2.4 Effect on Financial Position

Upon completion of the Acquisition, GCO became a wholly-owned subsidiary of the Company, forming part of the Company's retail division and providing the Company with in-house manufacturing, packaging and distribution capabilities. In connection with the Acquisition, Nick Yan joined the Company as Operations Manager of the Facility. Prior to joining the Company, Mr. Yan worked with Garden to Cup Organics Ltd. and Teaja Office Beverages North America Ltd. as their Operations Manager for a period of seven years, where Mr. Yan was responsible for all aspects of production and warehousing activities at the Facility.

2.5 Prior Valuations

To the knowledge of the Company there has not been any valuation opinions obtained within the last 12 months by GCO 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

August 23, 2021

Item 3 Financial Statements and Other Information

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

The audited financial statements of GCO for the year ended March 31, 2021 and for the period from incorporation on November 8, 2019 to March 31, 2020, together with the auditor's report thereon and notes thereto.

SCHEDULE "A"

Please see attached.

GCO Packaging and Manufacturing Ltd.
(Formerly Empowering Medical Center Inc.)

Financial Statements

For the year ended March 31, 2021
and
For the period from incorporation on November 8, 2019 to March 31, 2020

(Expressed in Canadian Dollars)

p | 604.683.3277
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BURRARD STREET
BOX 243
VANCOUVER, BC V7X 1M9

charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Director of
GCO Packaging and Manufacturing Ltd. (formerly Empowering Medical Center Inc.)

Opinion

We have audited the accompanying financial statements of GCO Packaging and Manufacturing Ltd. (formerly Empowering Medical Center Inc.) (the "Company"), which comprise the statements of financial position as at March 31, 2021 and 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended March 31, 2021 and for the period from the incorporation on November 8, 2019 to March 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and 2020, and its financial performance and its cash flows for the year ended March 31, 2021 and for the period from the incorporation on November 8, 2019 to March 31, 2020, 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

August 20, 2021

GCO Packaging and Manufacturing Ltd.
(formerly Empowering Medical Center Inc.)
Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes		March 31, 2021		March 31, 2020
ASSETS					
Current Assets					
Amounts receivable		$	74	$	10
Total Current Assets			74		10
TOTAL ASSETS		$	74	$	10
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities		$	9,027	$	-
Total Current Liabilities			9,027		-
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	4		25		10
Deficit			(8,978)		-
Total equity (deficiency)			(8,953)		10
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY(DEFICIENCY)		$	74	$	10

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

These financial statements were authorized for issue by the Board of Directors on August 20, 2021.

Approved on behalf of the Board of Director:

“Tim Moore” Director

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

GCO Packaging and Manufacturing Ltd.
(formerly Empowering Medical Center Inc.)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the year ended March 31, 2021	For the period from incorporation on November 8, 2019 to March 31, 2020
EXPENSES		
Management fees	$ 978	$ -
Professional fees	8,000	
TOTAL OPERATING EXPENSES	(8,978)	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (8,978)	$ -
Loss per common share – basic and diluted	$ (54.74)	$ -
Weighted average number of common shares outstanding – Basic and diluted	164	100

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

GCO Packaging and Manufacturing Inc.
(Formerly Empowering Medical Center Inc.)
Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Share Capital			
	Number	**Amount**	**Deficit**	**Total**
		$	$	$
Incorporation, November 8, 2019	-	-	-	-
Common – Class A shares issued	100	10	-	10
Loss for the period	-	-	-	-
Balance, March 31, 2020	**100**	**10**	**-**	**10**
Balance, March 31, 2020	**100**	**10**	**-**	**10**
Common – Class A shares issued	250	25	-	25
Common – Class A shares repurchased and cancelled	(100)	(10)	-	(10)
Loss for the year	-	-	(8,978)	(8,978)
Balance, March 31, 2021	**250**	**25**	**(8,978)**	**(8,953)**

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

GCO Packaging and Manufacturing Inc.
(Formerly Empowering Medical Center Inc.)
Statements of Cash Flows
(Expressed in Canadian dollars)

	For the year ended March 31, 2021	For the period from incorporation on November 8, 2019 to March 31, 2020
Cash (used in) provided by:		
OPERATING ACTIVITIES		
Loss for the period	$ (8,978)	$ -
Net changes in non-cash working capital items:		
Amounts receivable	(64)	(10)
Accounts payable and accrued liabilities	9,027	-
Cash from operating activities	(15)	(10)
FINANCING ACTIVITIES:		
Proceeds from issuance of common shares	25	10
Repurchase and cancellation of common shares	(10)	-
Cash provided by financing activities	15	10
Change in cash	-	-
Cash, beginning of period	-	-
Cash, end of period	$ -	$ -

During the year ended March 31, 2021 and for the period from incorporation on November 8, 2019 to March 31, 2020, the Company paid $nil for interest and taxes and there were no non-cash financing or investing activities.

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

1. NATURE OF OPERATIONS

GCO Packaging and Manufacturing Ltd. (formerly Empowering Medical Center Inc.) (the “Company”) is a Canadian corporation intending to manufacture organic teas, herbs, and medicinal blends.

The Company was incorporated under the laws of the Business Corporations Act (British Columbia) on November 8, 2019, under the name Empowering Medical Center Inc. On July 23, 2020, the company changed its name to GCO Packaging and Manufacturing Ltd. The Company’s registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

These audited financial statements were approved by the Board of Directors on August 20, 2021.

On April 7, 2021, HAVN Life Sciences Inc. (“HAVN”) acquired 100% of the outstanding common shares of GCO Packaging and Manufacturing Ltd. in exchange for an aggregate of 6,000,000 common shares of HAVN and the Company became a wholly owned subsidiary of HAVN (Note 10).

2. GOING CONCERN

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.

As at March 31, 2021, the Company had working capital deficit of $8,953 (2020 - working capital of $10) and a deficit of $8,978 (2020 - $nil). During the year ended March 31, 2021, the Company recorded a loss of $8,978 (2020 - $nil). As at March 31, 2021, the Company is not able to finance day to day activities through operations. However, subsequent to year end, the Company was acquired by HAVN and became its wholly owned subsidiary. The Company’s continuation as a going concern will be dependent upon the results from its manufacturing activities and its ability to attain profitable operations and generate funds or to raise equity capital or obtain borrowings from HAVN to cover future obligations and operating expenses.

2.1. Covid-19 pandemic

In March 2020, the World Health Organization declared a global Covid-19 pandemic. The expected impacts on global commerce are far reaching. To date there have been significant stock market fluctuations, and the movement of people and goods has become restricted. Many local and regional governments have issued public health orders in response to Covid-19, including restricting the movement of people, which could

2. GOING CONCERN (CONTINUED)

2.1. Covid-19 pandemic (Continued)

impact the Company's operations in the coming year. A continuing period of lower prices could significantly affect the economic potential of the manufacturing and wholesale industry and may result in the Company dropping its interest in, some or all of its investments. As the Company does not have revenues, the ability to fund ongoing operation is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding.

The impact of these factors on the Company is not yet determinable. However, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of asset impairment and liquidity or going concern uncertainty.

3. BASIS OF PRESENTATION

3.1. Statement of compliance

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").

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. Basis of presentation

These 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 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.

3.3. Significant judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and revenues and expenses. 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. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

3. BASIS OF PRESENTATION (CONTINUED)

3.3. Significant judgments, estimates and assumptions (Continued)

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.

Valuation of equity consideration granted

The valuation of share consideration granted involves management judgment in determining valuation of the share consideration granted. Judgment is exercised in the reliability of the fair value of consideration received.

3.4 Functional Currency

These financial statements are presented in Canadian Dollars, which is the Company's functional currency. Transactions in currencies other than the Canadian Dollar are recorded at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position. Non-monetary items are measured at their historical cost and are not retranslated. Revenues and expenses denominated in foreign currencies are translated at rates of exchange prevailing on the transaction dates. All exchange gains or losses are recognized immediately in profit or loss in the period in which they are incurred. During the year ended March 31, 2021, the Company did not have any transactions in foreign currencies.

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Income Taxes (Continued)

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 reserves.

4.4 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Financial Instruments - Recognition and Measurement

(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	
Amounts 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.

The Company has not elected to hold any financial assets at FVOCI.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Financial Instruments - Recognition and Measurement (Continued)

(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.

4.6 Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item. As at March 31, 2021 and 2020, the Company did not have any equipment.

4.7 Intangible assets

Intangible assets acquired individually or with a group of other assets from others (other than in a business combination) are recognized at cost, including transaction costs, and allocated to the individual assets acquired based on relative fair values and no goodwill is recognized. Cost is measured based on cash consideration paid. If consideration given is in the form of non-cash assets, liabilities incurred, or equity interests issued, measurement of cost is based on either the fair value of the consideration given or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and more reliably measurable. Costs of internally developing, maintaining or restoring intangible assets that are not specifically identifiable, have indeterminate lives or are inherent in a continuing business are expensed as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Intangible assets (Continued)

Intangibles with a finite useful life are amortized and those with an indefinite useful life are not amortized. The useful life is the best estimate of the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Company. The useful life is based on the duration of the expected use of the asset by the Company and the legal, regulatory or contractual provisions that constrain the useful life and future cash flows of the asset, including regulatory acceptance and approval, obsolescence, demand, competition and other economic factors. If an income approach is used to measure the fair value of an intangible asset, the Company considers the period of expected cash flows used to measure the fair value of the intangible asset, adjusted as appropriate for Company-specific factors discussed above, to determine the useful life for amortization purposes. If no regulatory, contractual, competitive, economic or other factors limit the useful life of the intangible to the Company, the useful life is considered indefinite.

Intangibles with a finite useful life are amortized on the straight-line method unless the pattern in which the economic benefits of the intangible asset are consumed or used up are reliably determinable. The Company evaluates the remaining useful life of intangible assets each reporting period to determine whether any revision to the remaining useful life is required. If the remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over the revised remaining useful life. Licensed rights are amortized on a straight-line basis over the lease period of the leased premises to which the licensed rights are related.

Intangibles with an indefinite useful life are not amortized until its useful life is determined to be no longer indefinite. If the useful life is determined to be finite, the intangible is tested for impairment and the carrying amount is amortized over the remaining useful life in accordance with intangibles subject to amortization. Indefinite-lived intangibles are tested for impairment annually and more frequently if events or circumstances indicate that it is more-likely-than-not that the asset is impaired.

As at March 31, 2021 and 2020, the Company does not have any intangible assets.

4.8 Impairment of non-financial assets

At the end of each reporting period, the Company's non-financial assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment of non-financial assets (Continued)

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

4.9 Leases

The Company considers whether a contract is, or contains, a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

As at March 31, 2021 and 2020, the Company does not have any leases.

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Loss per share

The Company presents basic and diluted loss per share data for its common shares, caculated by dividing the loss attributed to common shareholders of the Company (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.

When the Company reports a 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.

4.11 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. SHARE CAPITAL

5.1 Authorized Share Capital

Class of Shares	Authorized	Par Value
Class A Common Shares	No maximum	Without par value
Class B Common Shares	No maximum	Without par value
Class C Common Shares	No maximum	Without par value
Class D Common Shares	No maximum	$0.01 CAD each par value
Class E Common Shares	No maximum	Without par value
Class F Common Shares	No maximum	Without par value

5.2 Shares Issued

Shares issued and outstanding as at March 31, 2021 are 250 (2020 – 100) Class A common shares.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (CONTINUED)

5.2 Shares Issued (Continued)

During the year ended March 31, 2021, the Company:

i. On July 23, 2020, the Company and issued 150 Class A common shares at a price of $0.10 per share for gross proceeds of $15.
ii. On July 23, 2020, the Company repurchased and returned to treasury, 100 Class A common shares at a price of $0.10 per share for a total repurchase price of $10.
iii. On December 14, 2020, the Company and issued 100 Class A common shares at a price of $0.10 per share for gross proceeds of $10.

During the period ended March 31, 2020, the Company:

i. On November 8, 2019, the Company incorporated and issued 100 Class A common shares at a price of $0.10 per share for gross proceeds of $10.

There were no stock options or warrants issued or outstanding for the year ended March 31, 2021, and for the period from the date of incorporation on November 8, 2019 through March 31, 2020.

6. RELATED PARTY TRANSACTIONS AND BALANCES

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. The Company considers all Directors and Officers of the Company to be key management personnel.

There were no related party transactions an balances for the year ended March 31, 2021, and for the period from incorporation on November 8, 2019 to March 31, 2020.

7. INCOME TAXES

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

		2021		2020
Loss and comprehensive loss for the year	$	(8,978)	$	-
Statutory income tax rates		27%		27%
Expected income tax (recovery)		(2,424)		-
Change in unrecognized deductible temporary differences		2,424		-
Total income tax expense (recovery)	$	-	$	-

7. INCOME TAXES (CONTINUED)

The significant components of the Company's unrecognized deferred tax assets are as follows:

		2021		2020
Non-capital loss carry forwards	$	2,424	$	-
Deferred tax assets not recognized	$	2,424	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the financial statements of financial position are as follows:

		2021	Expiry date
Non-capital loss	$	8,978	2041

Tax attributes are subject to review, and potential adjustments, by tax authorities.

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.

9. RISK MANAGEMENT (CONTINUED)

9.1 Financial risk management (Continued)

a. Credit risk

Credit risk is the risk that a counterparty's inability to meet its obligations. The Company does not have any credit risk.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. As at March 31, 2021, the Company's working capital deficit is $8,953 (2020 - working capital of $10) 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 March 31, 2021, the Company had amounts receivable of $74 (2020 - $10) and total liabilities of $9,027 (2020 - $nil).

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

i. Currency risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. As at March 31, 2021, the Company is not exposed to any currency risk.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it has no interest bearing debt.

iii. Price risk

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

9. RISK MANAGEMENT (CONTINUED)

9.2 Fair Value

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).

As at March 31, 2021 and 2020, the Company does not have any financial instruments carried at fair value. The carrying values of the amounts receivable and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

10. SUBSEQUENT EVENTS

10.1 Asset Purchase Agreement

On April 1, 2021, pursuant to an Asset Purchase Agreement, dated August 4, 2020, the Company acquired the manufacturing equipment of Garden to Cup Organics Ltd., a sublease for their manufacturing facility, and a rights assignment for an exclusive manufacturing and supply agreement for an aggregate purchase price of $1,300,000 (the “Purchase Price”).

The purchase price was satisfied by the Company assuming a $1,300,000 loan advanced to Garden to Cup Organics Ltd., by 10828416 Canada Inc., pursuant to a loan agreement dated October 10, 2018, with a maturity date of October 10, 2028. This loan was settled on April 7, 2021, pursuant to an acquisition by HAVN Life Sciences Inc. (Note 10.2).

The closing of the Asset Purchase Agreement was subject to the fulfillment of certain conditions precedent, which were fulfilled on April 1, 2021. Among the conditions precedent was a requirement for the delivery a duly executed Sublease Agreement between Garden to Cup Organics Ltd. and GCO Packaging and Manufacturing Ltd. enabling GCO Packaging and Manufacturing Ltd. to sublease the premises occupied by Garden to Cup Organics Ltd. located in Richmond, BC. The term of Sublease Agreement is from April 1, 2021, to March 31, 2021, with no direct right of extension or renewal. The Company expects to extend the lease under the headlease, which allows for a 5-year renewal period.

10. SUBSEQUENT EVENTS (CONTINUED)

10.2 Change of Control

On April 7, 2021, HAVN Life Sciences Inc. (CSE: HAVN) (OTC: HAVLF) (FSE: 5NP) acquired 100% of the outstanding common shares of GCO Packaging and Manufacturing Ltd. in exchange for an aggregate of 6,000,000 common shares of HAVN Life Sciences Inc. at $1.07 per share. The transaction represented a change in control, making the Company a wholly owned subsidiary of HAVN Life Sciences Inc.

In accordance with the Share Purchase Agreement to acquire the Company, upon closing HAVN Life Sciences Inc., settled the $1,300,000 debt to 10828416 Canada Inc. by issuing 1,214,954 common shares of HAVN Life Sciences Inc., to 10828416 Canada Inc. These 1,214,954 common shares are included within the purchase price of 6,000,000 common shares.

10.3 Registration of HAVN Life Retail trade name

On July 2, 2021, the Company registered the trade name of HAVN LIFE RETAIL, through the BC Registry Services, as a sole proprietorship of GCO Packaging and Manufacturing Ltd. The registration enables the Company to also do business as HAVN Life Retail.