CANADIAN INTERNATIONAL PHARMA CORP.

Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)

For the six months ended April 30, 2020
(Expressed in Canadian Dollars)

Contact Information:

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CANADIAN INTERNATIONAL PHARMA CORP.

Dated June 18, 2020

Management's Comments on Unaudited Interim Financial Statements

The accompanying unaudited interim financial statements of Canadian International Pharma Corp. the six months ended April 30, 2020 and 2019 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the six months period ended April 30, 2020.

CANADIAN INTERNATIONAL PHARMA CORP.

Consolidated Statements of Financial Position
As at April 30, 2020 and 2019
(Unaudited – Expressed in Canadian Dollars)

	April 30, 2020	October 31, 2019
ASSETS		
Current		
Cash and cash equivalents	$ 231	$ 7,327
Receivables	367	1,289
Prepaid expenses (Note 7)	833	833
	1,431	9,449
Reclamation deposit (Note 4)	5,000	5,000
	$ 6,431	$ 14,449
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 306,121	$ 282,837
Loans payable (Notes 7 and 9)	23,000	-
	329,121	282,837
Shareholders' deficiency		
Capital stock (Note 5)	14,342,545	14,342,545
Reserves	1,280,521	1,280,521
Deficit	(15,945,756)	(15,891,454)
	(322,690)	(268,388)
	$ 6,431	$ 14,449

Nature of operations and going concern (Note 1)
Commitments (Note 11)
Subsequent event (Note 14)

On behalf of the Board:

"Douglas L. Mason" Director *"Andrzej Kowalski"* Director

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

CANADIAN INTERNATIONAL PHARMA CORP.

Consolidated Statements of Loss and Comprehensive Loss

Six months ended April 30, 2020 and 2019

(Unaudited – Expressed in Canadian Dollars)

	Three-month period ended April 30, 2020	Three-month period ended April 30, 2019	Six-month period ended April 30, 2020	Six-month period ended April30, 2019
EXPENSES				
Consulting fees (Note 7)	-	8,500	8,250	17,500
Office and miscellaneous	3,221	5,011	7,725	11,291
Professional fees (Note 7)	5,230	14,306	18,839	28,547
Rent (Note 7)	-	5,955	5,954	11,909
Transfer agent and regulatory fees	4,052	8,401	5,864	12,313
Wages and benefits	3,38	6,711	7,737	14,965
Loss before other items	(15,892)	(48,884)	(54,369)	(96,525)
OTHER INCOME (EXPENSES)				
Interest income	67	19	67	38
Unrealized gain on marketable securities	-	(1,000)	-	(781)
Recovery of exploration and evaluation assets (Note 4)	-	9,000	-	9,000
	67	8,019	67	8,257
Loss and comprehensive loss for the period	$ (15,825)	$ (40,865)	$ (54,302)	$ (88,268)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	38,453,013	38,453,013	38,453,013	38,453,013

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

CANADIAN INTERNATIONAL PHARMA CORP.

Consolidated Statements of Change in Shareholders' Equity (Deficiency)

(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Amount	Share-based Payments Reserve	Residual Value of Warrants Reserve	Deficit	Total
Authorized:						
Unlimited number common shares without par value						
Balance as at October 31, 2018	**38,453,013**	**$ 14,342,545**	**$ 1,180,354**	**$ 100,167**	**$ (15,715,553)**	**$ (92,487)**
Loss for the period	-	-	-	-	(88,268)	(88,268)
Balance as at April 30, 2019	**38,453,013**	**$ 14,342,545**	**$ 1,180,354**	**$ 100,167**	**$ (15,803,821)**	**$ (180,755)**
Loss for the year	-	-	-	-	(87,633)	(87,633)
Balance as at October 31, 2019	**38,453,013**	**14,342,545**	**1,180,354**	**100,167**	**$ (15,891,454)**	**(268,388)**
Loss for the year	-	-	-	-	(54,302)	(54,302)
Balance as at April 30, 2020	**38,453,013**	**$ 14,342,545**	**$ 1,180,354**	**$ 100,167**	**$ (15,945,756)**	**$ (322,690)**

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

CANADIAN INTERNATIONAL PHARMA CORP.
Consolidated Statements of Cash Flows
Six months ended April 30, 2020 and 2019
(Unaudited – Expressed in Canadian Dollars)

	Three-month period ended April 30, 2020	Three-month period ended April 30, 2019	Six-month period ended April 30, 2020	Six-month period ended April 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$ (15,825)	$ (40,865)	$ (54,302)	$ (88,268)
Items not affecting cash				
Unrealized (gain) loss on marketable securities	-	1,000	-	781
Recovery of exploration and evaluation assets	-	(9,000)	-	(9,000)
Changes in non-cash working capital items				
Decrease (increase) in receivables	1,005	(983)	922	(1,163)
Decrease (increase) in prepaid expenses	-	(1,725)	-	525
Increase (decrease) in accounts payable and accrued liabilities	23,284	51,943	23,284	82,564
Net cash used in operating activities	8,464	370	(30,096)	(14,561)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan proceeds	23,000	-	23,000	-
Net cash provided by financing activities	23,000	-	23,000	-
Increase (Decrease) in cash during the period	(328)	370	(7,096)	(14,561)
Cash and cash equivalents, beginning of period	559	5,986	7,327	20,917
Cash and cash equivalents, end of period	231	6,356	$ 231	$ 6,356
Cash paid for interest	$ -	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -	$ -

Supplemental disclosures with respect to cash flows (Note 8)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Canadian International Pharma Corp., (the "Company") was incorporated under the laws of the Province of British Columbia and is currently trading on the NEX Board of the TSX Venture Exchange (Trading Symbol: CIP.H). The Company was previously engaged in in the acquisition and exploration of mineral resource properties; however, its intention is to pursue new business opportunities in the area of pharmaceutical and nutraceutical manufacturing and distribution.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future, will be able to realize its assets, discharge its liabilities and commitments in the normal course of business.

Management believes the Company will be successful at securing additional funding to continue its operations and intended to advance its new business opportunities in the area of pharmaceutical and nutraceutical manufacturing and distribution, however, the Company has incurred significant operating losses over the past several fiscal years (2019 - $175,901; 2018 - $222,423), has a working capital deficit of $304,690 (October 31, 2019 - $273,388), has a deficit of - $15,945,756 (October 31, 2019 - $15,891,454), has limited resources, no source of operating cash flows and no assurances that sufficient funding will be available to further its goals and objectives. These indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to successfully complete its manufacturing process, commercialize its products and receive regulatory approvals for its business, the outcome of which cannot be predicted at this point. As a result, it may be necessary for the Company to obtain additional capital, such as issuance of equity and/or debt securities, or alternative financing sources of financing. There is no assurance that the Company will be able to obtain sufficient funds to continue its operating activities.

2. BASIS OF PREPARATION

Statement of compliance

These interim financial statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of April 30, 2020. The Board of Directors approved the financial statements for issue on June 18, 2020.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in Note 3.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company and its subsidiary's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

2. BASIS OF PREPARATION (Continued)

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the impairment of assets, valuation of share-based payments and recognition of deferred tax amounts.

<u>Critical accounting estimates:</u>

a) Share-based payments

The fair value of share options granted is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility, expected life of the options, expected dividends and the risk-free rate. These estimates will impact the amount of share-based payments recognized.

b) Income taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences and, accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time.

3. SIGNIFICANT ACCOUNTING POLICIES

The following are a list of significant accounting policies used by the Company.

(a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned inactive subsidiary, Grupo Minero Venturex, S.A. de C.V. (Mexico). All significant inter-company transactions and balances have been eliminated.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Cash and cash equivalents

Cash and cash equivalents includes highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For the periods presented, the Company does not have any cash equivalents.

(c) Financial instruments

The Company adopted all of the requirements of IFRS 9 – Financial Instruments (“IFRS 9”) as of November 1, 2018. IFRS 9 replaces IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

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

Classification

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

The Company did not restate prior periods and determined that the adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on November 1, 2018.

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 profit or 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 consolidated statements of comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost
An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition
Financial assets
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 consolidated statements of comprehensive loss.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Exploration and evaluation assets

For investments in exploration and evaluation assets the Company follows the practice of capitalizing all costs upon obtaining the legal right to explore relating to the acquisition of, exploration for and evaluation of mineral claims and crediting all proceeds received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to an exploration and evaluation asset is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Exploration and evaluation assets (Continued)

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on exploration and evaluation assets when amounts received, or receivable are in excess of the carrying amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets. At such time as commercial production commences, these costs are reclassified as mining assets and will be charged to operations on a unit-of-production method based on proven and probable reserves.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment at each financial position reporting date. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Although the Company has taken steps to verify the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(e) Impairment of non-current assets

At each financial position reporting date, the Company's non-current assets are reviewed to determine whether there is any indication that the carrying value of those assets are impaired and may not be recoverable. If any such indication exists, the recoverable amount of the asset is evaluated at the level of a cash-generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU 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 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 the profit or loss for the period.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Equity units
The Company uses the residual value method with respect to the measurement of common shares and share purchase warrants issued as units. The proceeds from the issue of units is allocated between common shares and share purchase warrants where the fair value of the common shares is based on the market value on the date of the announcement of the placement and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against common share component.

(g) Share-based payment transactions

The Company's stock option plan allows employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Share-based payments to non-employees are measured at the fair value of the goods or services received or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. The fair value of the options is accrued and charged either to operations or exploration and evaluation assets, with the offset credit to share-based payments reserve, over the vesting period. If and when the stock options are exercised, the applicable amounts from share-based payments reserve are transferred to capital stock.

The Black-Scholes option valuation model used by the Company to determine fair values of options and similar financial instruments requires the input of highly subjective assumptions including future stock volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimate.

(h) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it will not be recognized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(j) Restoration and rehabilitation provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of an exploration and evaluation asset interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. As at April 30, 2020 and October 31, 2019,, the Company does not have any significant restoration obligations.

(k) Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as interest expense.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) New accounting standards, interpretations, and amendments

New accounting policies
Effective November 1, 2018, the Company adopted the following accounting standards.

IFRS 9, Financial Instruments:
IFRS 9 Financial Instruments was issued by the IASB in July 2014 and has replaced IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The Company adopted the standard retrospectively. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The following summarizes the significant changes in IFRS 9:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The change did not impact the carrying amounts of any of the Company’s financial assets on the transition date. Prior periods were not restated, and no material changes resulted from adopting this new standard.
- The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of financial assets on the transition date.

IFRS 15, Revenue from Contracts with Customers:
In May 2014 the IASB approved IFRS 15, Revenue from Contracts with Customers, which specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers, except for leases, financial instruments and insurance contracts. The adoption of IFRS 15 did not have an impact on the Company’s consolidated financial statements.

New standards not yet adopted
The following new standard has been issued but is not effective during the period ended April 30, 2020:

IFRS 16, Leases
In January 2016, the IASB issued IFRS 16, Leases, which would replace IAS 17, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company will adopt this standard on November 1, 2019, the date of initial application. The Company does not expect the adoption of IFRS 16 to have an impact on the Company’s consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Reclamation deposit

As at April 30, 2020, the Company has a refundable deposit of $5,000 (October 31, 2019 - $5,000) with the Ministry of Energy, Mines and Petroleum.

Seagull Property, Ontario

The Company entered into an option agreement dated October 2, 2008 with Rainy Mountain Royalty Corp., ("Rainy Mountain"), and White Metal Resources Corp., ("White Metal") whereby the Company was granted an option to earn an initial 30% interest (earned) in the Seagull property located near Thunder Bay, Ontario. In order to acquire its initial 30% interest, the Company was required to spend $500,000 in exploration expenditures by February 28, 2009 (completed).

By an amending agreement dated October 15, 2010, the Company increased its ownership interest in the Seagull property from 30% to 40% interest, (based on its exploration expenditures incurred) with White Metal and Rainy Mountain each owning a 30% interest. The Seagull property is subject to two separate royalties (2.4% NSR in total), of which 1.4% can be purchased for $2 million.

During the year ended October 31, 2015, the Company recorded an impairment charge of $927,224 related to the Seagull Property (due to the Company's change of business and the inactivity on the Seagull Property).

By agreements dated March 7, 2019, the Company and Rainy Mountain sold their respective 40% and 30% property interest in the Seagull property to White Metal. For its 40% property interest, the Company received 200,000 shares of White Metal (valued at $9,000) and retained a 0.4% net smelter return royalty (the "NSR"), which NSR can be purchased by White Metal at any time up until commencement of commercial production for $600,000. The Company recorded a recovery of $9,000 on receipt of 200,000 common shares.

The Company and Rainy Mountain had certain directors in common.

5. CAPITAL STOCK

Authorized share capital:

- Unlimited number common shares without par value

During the period ended April 30, 2020, there were no share transactions:

During the year ended October 31, 2019, there were no share transactions:

6. STOCK OPTIONS AND WARRANTS

Options

The Company has a rolling stock option plan, whereby it is allowed to issue options of up to 10% of the Company's issued and outstanding common shares at any given time. Under the plan, options can be granted for a maximum term of five years and vesting of stock options is at the discretion of the board of directors at the time options are granted.

(Unaudited – Expressed in Canadian Dollars)

As at April 30, 2020 the following incentive stock options were outstanding:

	Number of Options		
Expiry Date	April 30, 2020	October 31, 2019	Exercise Price
April 15, 2021	1,310,000	1,310,000	$ 0.07
Outstanding and exercisable	**1,310,000**	**1,310,000**	

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, October 31, 2018	**2,425,000**	**$ 0.07**
Exercised	(1,080,000)	0.07
Expired	(35,000)	0.05
Outstanding, October 31, 2019 and April 30, 2020	**1,310,000**	**$ 0.07**

Warrants

As at April 30, 2020 there were no warrants outstanding:

7. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities at April 30, 2020 is $247,854 (April 30, 2019 - $160,299) owing to companies controlled by directors, directors in common.

Included in prepaid expenses at April 30, 2020 is $nil (April 30, 2019 - $13,600) as a payroll administration deposit to Waterfront Communications Inc. (a company with certain directors in common), to cover shared employee payroll costs.

The Company entered into a loan agreement, dated February 25, 2020, pursuant to which the Company received $23,000 for working capital purposes The loans were provided by a company controlled by a director and an officer with a term of one year with interest at a rate of 1% per month (12% per annum). The loan is due on or before February 24, 2021.

During the period ended April 30, 2020, the Company paid or accrued the following amounts to companies controlled by directors or companies having directors in common:

	April 30, 2020	April 30, 2019
Consulting fees	$ 7,500	$ 15,000
Rent	5,954	11,909

(Unaudited – Expressed in Canadian Dollars)

Key management compensation to the CEO, President, CFO, Directors and/or related entities includes the following:

	April 30, 2020	April 30, 2019
Consulting fees	$ 7,500	$ 15,000

The Company reimbursed Waterfront Communications Inc. (a company with certain directors in common) on a cost basis, to cover shared administrative and payroll costs in the amount of $7,737 (April 30, 2019 - $14,965) and shared expenses in the amount of $8,934 (April 30, 2019 - $11,541).

8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

There were no significant non-cash financing or investing during the period ended April 30, 2020.

Non-cash financing or investing during year ended October 31, 2019 are as follows:

- 200,000 shares of White Metal at a value of $9,000 were received as marketable securities and recorded as a recovery on the sale of the Company's interest in the Seagull Property (Note 4).

9. LOANS PAYABLE

The Company entered into a loan agreement, dated February 25, 2020, pursuant to which the Company received $23,000 for working capital purposes The loans were provided by a company controlled by a director and an officer with a term of one year with interest at a rate of 1% per month (12% per annum). During the period ended April 30, 2020, $23,000 was advanced under the loan agreement and was outstanding as at April 30, 2020. No loan bonus shares were issued in connection with these loans.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes as at October 31, 2019 and 2018 is as follows:

	2019	2018
Loss for the year	$ (175,901)	$ (222,423)
Expected income tax (recovery)	$ (47,000)	$ (60,000)
Change in statutory foreign tax, foreign exchange rates and other	(2,000)	2,000
Adjustment to prior years provision versus statutory tax returns	-	5,000
Change in unrecognized deductible temporary differences	49,000	53,000
Income tax recovery	$ -	$ -

(Unaudited – Expressed in Canadian Dollars)

The significant components of the Company's unrecognized temporary differences, including unused tax credits and unused tax losses as at October 31, 2019 and 2018 are as follows:

		2019	Expiry Date Range		2018
Temporary differences:					
Exploration and evaluation assets	$	1,337,000	No expiry	$	1,337,000
Investment tax credits		17,000	2032 to 2035		17,000
Property and equipment		3,000	No expiry		3,000
Share issue costs		9,000	2018 to 2021		16,000
Marketable securities		-	No expiry		7,000
Allowable capital losses		143,000	No expiry		141,000
Non-capital losses available for future periods		5,989,000	2026 to 2039		5,798,000

The attributes are subject to review, and potential adjustment, by tax authorities.

11. COMMITMENTS

The Company has entered into three 5 year term renewable agreements with companies controlled by two directors and one former director of the Company for the provision of consulting and/or legal services at a cost of $2,500 per month ($30,000 per annum) for each of the three agreements. If any of such agreements are terminated without cause, or if there is a change in control of the Company, the Company is required to pay $150,000 to such contracted party so affected. On January 31, 2020, a director voluntarily resigned and accordingly no fees are owing under the agreement.

The Company has also entered into two agreements with certain directors/officers for services rendered in such capacities. If such agreements are terminated without consent of the director/officer or the director/officer resigns within 120 days following a change in control, the Company must pay $50,000 to such director/officer and allow any unvested stock options to vest. On January 31, 2020, a director voluntarily resigned and accordingly no fees are owing under the agreement.

12. CAPITAL MANAGEMENT

The Company's shareholders' equity comprises its capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue new business opportunities in the area of pharmaceutical and nutraceutical manufacturing and distribution and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

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

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

(Unaudited – Expressed in Canadian Dollars)

To fund future operating activities, the Company will need to become profitable in perusing its new business and/or raise funds through future share issuances, issue new debt or dispose of assets.

There have been no changes to the Company's approach to capital management during the period ended April 30, 2020. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS

Fair value

The Company classifies its cash and cash equivalents and marketable securities as fair value through profit or loss; receivables and reclamation deposits as financial assets at amortized cost; and accounts payable and accrued liabilities at amortized cost.

The carrying values of receivables, reclamation deposits, accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's measurement of fair value of financial instruments in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
April 30, 2020				
Assets				
Cash and cash equivalents	$ 231	$ 231	$ -	$ -
	$ 231	$ 231	$ -	$ -
October 31, 2019				
Assets				
Cash and cash equivalents	$ 7,327	$ 7,327	$ -	$ -
	$ 7,327	$ 7,327	$ -	$ -

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and other receivables.

The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts with highly-rated financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at April 30, 2020, the Company had accounts payable and accrued liabilities of $306,121 (October 31, 2019 - $282,837). Based on the current funds held, the Company does not have sufficient working capital for the short term, and thus will need to rely upon financing from shareholders and/or debt holders to obtain sufficient working capital. There is no assurance that such financing will be available on terms and conditions acceptable to the Company.

Market risk

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

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company was exposed to other price risk with respect to its marketable securities, as they were carried at fair values based on quoted market prices.

14. SUBSEQENT EVENT

In May 2020, a director loaned $17,000 to the Company. The loan is unsecured and bears interest at 12% per annum.

On May 21, 2020, the Company announced that Mehrun Payravi had resigned as a director of the Company effective March 11, 2020.