TWX GROUP HOLDING LIMITED
(FORMERLY “EA EDUCATION GROUP INC.”)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED MAY, 2021

(Stated in Canadian dollars)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the consolidated interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these consolidated interim financial statements in accordance with standards established by the International Financial Reporting Standards established by the International Accounting Standards Board for a review of interim financial statements by an entity's auditor.

TWX GROUP HOLDING LIMITED
(FORMERLY “EA EDUCATION GROUP INC.”)
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at May 31, 2021
(Expressed in Canadian dollars)

	Notes	(Unaudited) May 31, 2021	(Audited) August 31, 2020
		$	$
Assets			
Current			
Cash and cash equivalents		**1,580**	12,461
Accounts receivable	5	**33,539**	60,335
Loan receivable	12	**28,000**	28,000
Due from related parties	12	**320,369**	306,869
Prepaid expenses and deposits		**133,330**	-
		516,818	407,665
Plant and equipment	8	**10,938**	17,683
Total assets		**527,756**	425,348
Liabilities			
Current			
Accounts payable and accrued liabilities		**172,730**	172,626
Due to related parties	12	**33,750**	39,400
Loan payable		**41,298**	-
Lease liability – current portion	11	**6,698**	6,698
		254,476	218,724
Lease liability	11	**5,629**	7,253
Long-term loan	9	**70,753**	56,643
Total liabilities		**330,858**	282,620
Shareholders’ equity			
Share capital	10	**5,833,191**	5,833,191
Shares subscribed	10	**180,000**	-
Reserve		**162,670**	162,670
Accumulated other comprehensive loss		**(6,728)**	(6,728)
Accumulated deficit		**(5,972,235)**	(5,846,405)
Total shareholders’ equity		**196,898**	142,728
Total liabilities and shareholders’ equity		**527,756**	425,348
Nature and continuance of operations and going concern	1		
Contingencies	12		
Commitments	13		

See accompanying notes to the condensed interim consolidated financial statements

TWX GROUP HOLDING LIMITED
(FORMERLY "EA EDUCATION GROUP INC.")
Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the Nine Months Ended May 31, 2021 and 2020
(Expressed in Canadian dollars)

	Notes	**3 Months ended 31-May-21**	3 Months ended 31-May-20	**9 Months ended 31-May-21**	9 Months ended 31-May-20
		$	$		
Expenses					
General and administrative expenses	14	**18,865**	73,380	**82,861**	383,700
Marketing and promotion		**-**	430	**-**	12,403
Project investigation costs		**-**	-	**47,809**	-
		18,865	**73,810**	**130,670**	**396,103**
Other income					
Government grant	9	**-**	-	**10,015**	-
Interest income		**(4,500)**	(4,500)	**(14,855)**	(13,503)
Total comprehensive loss		**14,365**	**69,310**	**125,830**	**382,600**
Basic and diluted loss per share		**0.00**	0.00	**0.00**	0.00
Weighted average number of shares outstanding					
Basic and diluted		**31,950,457**	29,950,457	**31,950,457**	**29,950,457**

See accompanying notes to the condensed interim consolidated financial statements

TWX GROUP HOLDING LIMITED
(FORMERLY "EA EDUCATION GROUP INC.")
Unaudited Condensed Interim Consolidated
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Common shares		Share-based	Shares	Accumulated other comprehensive	Accumulated	Total Shareholders'
	Shares	Amount	Reserve	Subscribed	Income (loss)	Deficit	Equity
		$	$	$	$	$	$
Balance at August 31, 2019	**29,950,457**	**5,733,191**	**162,670**	**-**	**(6,728)**	**(5,465,605)**	**423,528**
Private placement (Note 6)	2,000,000	100,000	-	-	-	-	100,000
Net loss for the period	-	-	-	-	-	(382,600)	(382,600)
Adjustment – IFRS 16 Leases (Note 7)	-	-	-	-	-	967	967
Balance at May 31, 2020	**31,950,457**	**5,833,191**	**162,670**	**-**	**(6,728)**	**(5,847,238)**	**141,895**
Net income for the period	-	-	-	-	-	833	833
Balance at August 31, 2020	**31,950,457**	**5,833,191**	**162,670**	**-**	**(6,728)**	**(5,846,405)**	**142,728**
Shares subscribed	-	-	-	180,000	-	-	180,000
Net loss for the period	-	-	-	-	-	(125,830)	(125,830)
Balance at May 31, 2021	**31,950,457**	**5,833,191**	**162,670**	**180,000**	**(6,728)**	**(5,972,235)**	**196,898**

See accompanying notes to the condensed interim consolidated financial statements

TWX GROUP HOLDING LIMITED
(FORMERLY "EA EDUCATION GROUP INC.")

Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months Ended May 31, 2021 and 2020
(Expressed in Canadian dollars)

	2021	2020
	$	$
Operating activities		
Net loss for the period	**(125,830)**	(194,510)
Items not involving cash		
Depreciation	**6,745**	1,618
Adjustment – IFRS leases	**-**	967
	(119,085)	(191,925)
Changes in non-cash working capital	**(127,204)**	43,543
	(246,289)	(148,382)
Investing activities		
Acquisition of plant and equipment	**-**	(16,184)
	-	(16,184)
Financing activities		
Shares subscribed	**180,000**	-
Due from (to) related parties	**-**	(542)
Loan payable	**41,298**	-
Long – term Loan	**14,110**	-
	235,408	(542)
Decrease in cash	**(10,881)**	(165,108)
Cash, beginning of the period	**12,461**	344,204
Cash, end of the period	**1,580**	179,096

See accompanying notes to the condensed interim consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

EA Education Group Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on November 21, 1995. The address of the Company's corporate office and principal place of business is 908 – 939 Howe Street, Vancouver, BC, V6Z 1N9. The Company is currently reviewing alternative business plans and intends to pursue a change of business.

The unaudited condensed interim consolidated financial statements for the period ended November 30, 2020 were approved and authorized for issuance by the Board of Directors of the Company on September 30, 2021.

Going Concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment to assess the Company's ability to continue as a going concern and the existence of conditions that cast doubt upon the going concern assumption. It is management's assessment that the going concern assumption is appropriate based on its continued ability to raise funds.

For the nine months ended May 31, 2021, the Company reported a net loss of $125,830 and as at that date had deficit of $5,972,235. While in the past, the Company has been successful in obtaining funding from equity financings, shareholders' loans or through other arrangements, there is no assurance that these initiatives will be successful in the future. These unaudited condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PREPARATION

Basis of Presentation and Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They were also prepared in accordance with IAS34, Interim Financial Reporting. The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financials for issue.

Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value, and prepared using the accrual basis of accounting.

Functional and Presentation Currency

The functional currency of the Company is the Canadian dollars, while the functional currency of its other wholly owned subsidiary, EA International Education Co., Limited, is Chinese Yuan. These consolidated financial statements are presented in Canadian dollars.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in the consolidated financial statements.

Basis of Consolidation

These consolidated financial statements include the accounts of TWX Group Holding Limited (Formerly, "EA Education Group Inc." and its wholly-owned subsidiary EA International Education Co., Limited.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company and its subsidiaries at the exchange rate in effect at the transaction date. Monetary assets and liabilities are translated at the exchange rates in effect at date of financial position. Non-monetary assets and liabilities measured at historical costs that are denominated in other than the functional currency are translated at the exchange rate at the date of the transaction. Revenues and expenses are translated at the exchange rates prevailing at the date of the transaction except for amortization, which is translated at historical rates. Translation gains or losses are included in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Company's presentation currency at exchange rates at the financial position date. The income and expenses of foreign operations are translated into the Company's presentation currency at average exchange rates for the year. Foreign currency differences are recognized as other comprehensive income (loss) and accumulated in a separate component of shareholders' equity, described as foreign currency translation adjustment.

Cash

Cash consists of cash at banks and or short- term deposits with an original maturity of three months or less.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and Equipment

Property and equipment are recorded at historical cost (including directly applicable taxes, freight-in and installation costs), net of accumulated amortization and accumulated impairment losses. Depreciation is recognized to write off the cost of assets less their residual value over their estimated useful lives at the following annual rates:

- Computer equipment - 30% per annum declining balance
- Furniture and equipment - 20% per annum declining balance
- Vehicles – 20% per annum declining balance
- Right -Of- Use Asset - straight-line over the lesser of the lease term and three years

The Company reviews the estimated useful lives, residual values and depreciation method at each period-end, accounting for the effect of any changes in estimate on a prospective basis.

Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal and its value in use. Fair value less costs to sell is defined as the estimated price that would be received on the sale of the asset in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other groups of assets (cash generating units or "CGUs"). The allocation of goodwill to cash-generating units reflects the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of the cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit on a pro-rata basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and Equipment (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decrease or no longer exists. When impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimated 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 in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income Taxes

The Company follows the asset and liability method of accounting for income tax. Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of unused tax losses and tax credits, as well as for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future and their timing of the reversal can be controlled. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share Capital

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

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 the private placements to be the more easily measurable component and the common shares are valued at their estimated fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Earnings (loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for the effects of all diluted potential common shares, which comprise warrants and share options issued using the treasury stock method. Anti-diluted shares are not included in the computation.

Financial Instruments

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

Financial assets

Classification

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

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss), and
- Those to be measured after initial recognition at amortized cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. For assets measured at fair value, gains or losses are recorded in profit or loss or OCI.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

The Company has classified its cash at fair value through profit or loss. The company's GST receivable and advances are held at amortized cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. These are the measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period which it arises.

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 risk 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 income (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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities, loans payable, due to related parties, lease liability and convertible notes as financial liabilities held at amortized cost.

The adoption of IFRS 9 did not impact the carrying value of any financial asset or financial liability on the transition date. The table below illustrates the change in classification of the Company's financial instruments under IAS 39 and IFRS 9.

	Comparison of IFRS 9 and IAS 39	
Assets / liabilities	**Category**	**Measurement**
Assets		
Cash	FVTPL	Fair value
Accounts receivable and other receivables	AMC	Amortized cost
Due from related parties	AMC	Amortized cost
Liabilities		
Bank indebtedness	FVTPL	Fair value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

On September 1, 2019, the company, adopted on a modified retrospective basis, for the first time, IFRS 16 - Leases. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application. Comparative figures are not restated to reflect the adoption of IFRS 16.

IFRS 16 introduces a single lessee accounting model and requires lessees to recognize assets and liabilities for all leases, except when the term is 12 months or less or when the underlying asset has a low value. The Company recognizes a right-of-use asset and a lease liability for its leases with lease terms greater than one year. The right-of-use asset is measured at cost and depreciated over its estimated useful life. At the commencement date, the lease liability is measured as the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or if that rate cannot readily be determined, the Company's incremental borrowing rate. If the lease terms are subsequently changed, the present value of the lease liability is re-measured using the revised lease terms and applying the appropriate discount rate to the remaining lease payments. The Company recognizes the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. However, of the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in profit or loss.

The Company is currently assessing the impact that these standards will have on the Company's financial statements and have identified no leases having a term of more than 12 months. The Company will not elect to classify a short-term lease or low value lease as a right-of-use asset. The Company adopted these standards for the Company's reporting year ended August 31, 2020.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment.

Management considers the following areas to be those where the significant estimates, which may involve assumptions requiring the application of judgments, are used in the preparation of the Company's consolidated financial statements.

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Evaluation of the Company's Ability to Continue as a Going Concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing these consolidated financial statements. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The assessment of the Company's ability to execute its strategy and finance the operations through achieving positive cash flow from operations or by obtaining additional funding through debt or equity financing involves judgments. Management monitors future cash requirements to assess the Company's ability to realize assets and discharge its liabilities in the normal course of operations. Please refer to Note 1 for more information.

5. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable consists of GST/HST receivable of $33,539 (August 31, 2020 - $60,335) as at May 31, 2021.

6. PREPAID EXPENSES AND DEPOSITS

	November 30, 2020	November 30, 2019
	$	$
*Software development - web / branding	**12,000**	-
**Project investigation costs	**118,330**	-
	130,330	-

* Software development wad paid as an advance to a Company controlled by a director of the Company.

** During the period, the Company paid $118,330 as a deposit for purchases copper Cathodes Grade A (Electrolytic Copper Grade) to be applied against shipment of goods. As at November 30, 2020, the shipment has not arrived. As at May 31, 2021, the shipment has not arrived (see Note 7 – Project Investigation Costs - Copper Cathodes – Africa).

7. PROJECT INVESTIGATION COSTS

During the nine-month period ended May 31, 2021, the Company sought opportunities and investigates of projects, which includes mineral exploration properties, acquire copper cathode in Africa. (DRC, Zambia and Tanzania), and supply of solar LED streetlights

Mineral Exploration - Tanzania

The Company has hired a geologist to investigate project in Tanzania, to research, collecting old data reports, checking with Ministry of Mines to determine if the site is available to acquire. Miyabi gold property, located at Dalafuma, Tanzania, has historical work performed and has great potential proven reserves of gold.

The property is available to claim at the time of checking but will require proof of Company's expenditure to Ministry of Mines department. The amount is approximately US$2M and estimated cost to acquire to be around US$100,000 to US$200,000, because of previous work was done on the property and with a history of proven reserves of gold. The monies advanced is for people with the Mines Ministry department.

Since the Company did not have sufficient funds or resources, it had no alternative but to put the project on hold until the company is successful in raising financing.

As at May 31, 2021, the Company has expended $7,866 towards monies spent towards project investigation costs for this project.

Chika Copper and Gold Prospects

The Company hired Watson Kyakilika to carry an investigation site visit on property in DR Congo Project with Chika Copper and Gold Limited for possible joint venture, the property which is open pit operation for copper and gold. This project has a high grade copper and gold, has a small operation already and is looking for Joint Venture, the percentage is offering is 30%. The investment money is for purchase equipment to extract minerals and process into concentrate to sell. It needs further investigation on this project, as to find out the exact amount of money is required. From the communication with Mr. Watson Kyakilika, they are looking at US$35M within 2 years, start with US$1.5M and within year 1 of US$13.5M expenditures and year 2 of US$20M expenditures, all the money is for purchase of equipment and extraction processing the ore into concentrated to sell.

As at May 31, 2021, the Company has expended $13,783 towards monies spent towards project investigation costs for this project.

(Expressed in Canadian dollars)

7. PROJECT INVESTIGATION COSTS (continued)

Solar LED Streetlights - Zambia

The Company had the opportunity to submit bidding of supply of up to 70,000 units of solar LED streetlights to Ministry of Energy and Water Development of Zambia. This contract has advance payment of 60% upfront. The Company has researched suppliers and to determine if the contract can be awarded. The Company further continue with the bidding process, and have submitted the bid and is now waiting the final outcome.

As at May 31, 2021, the Company has expended $26,160 towards monies spent towards project investigation costs for this project.

Copper Cathodes - Africa

The Company has been looking for copper project in Africa and an opportunity with an offer of copper cathodes available. The Company attempted to start with a small engagement with this opportunity and to investigate if the Company should proceed with this. With the small amount of money, the Company can enter a contract of small shipment. Once this is proven to be successful and we can arrange with the owner to a further joint venture with his project.

During the period, the Company paid US$65,700 (C$86,240) as a deposit for purchases copper Cathodes Grade A (Electrolytic Copper Grade) to be applied against shipment of goods. As at November 30, 2020, the shipment has not arrived.

On November 16, 2020, the Company has signed a Sale and Purchase Agreement with Mr. Moustapha Bah for the supply of Copper Cathodes CU 99.99%. The advance payments are refundable deposits if shipment is not shipped out. As at February 28, 2021, no shipment has been sent by the seller.

Project Investigation Costs

Projects Description	**Amounts**
Mineral Exploration - Tanzania	7,866
Chika Copper and Gold Prospects	13,783
Solar LED Street Lights - Zambia	26,160
Total	**47,809**

(Expressed in Canadian dollars)

8. PLANT AND EQUIPMENT

	Lease Improvements	Furniture	Equip.	Computers	Right-Of-Use Asset	Total
Cost						
Balance, Aug 31, 2019	**9,425**	**6,270**	**-**	**-**	**-**	**15,695**
Additions	-	-	-	6,015	20,142	26,157
Balance, Aug 31, 2020	**9,425**	**6,270**	**-**	**6,015**	**20,142**	**41,852**
Additions	-	-	-	-	-	-
Balance, May 31, 2021	**9,425**	**6,270**	**-**	**6,015**	**20,142**	**41,852**

	Lease Improvements	Furniture	Equip	Computers	Right-Of-Use Asset	Total
Accumulated depreciation and impairment						
Balance, Aug 31, 2019	**9,425**	**6,270**	**-**	-	**-**	**15,695**
Depreciation	-	-	-	902	7,572	8,474
Balance, Aug 31, 2020	**9,425**	**6,270**	**-**	**902**	**7,572**	**24,169**
Depreciation	-	-	-	1,068	5,677	6,745
Balance, May 31, 2021	**9,425**	**6,270**	**-**	**1,970**	**13,249**	**30,914**
Net Carrying Amounts						
Balance, Aug 31 2019	**-**	**-**	**-**	-	**-**	**-**
Balance, Aug 31, 2020	-	-	-	5,113	7,572	17,683
Balance, May 31, 2021	**-**	**-**	**-**	**4,045**	**6,893**	**10,938**

9. LONG-TERM LOANS

The Company obtained Canada Emergency Business Account {CEBA) loans in the amount of $80,000 from the TD Canada Trust and Royal Bank of Canada guaranteed by the Canadian government. The loans are non-interest bearing until December 31, 2022 and repayment of the loan prior to December 31, 2022 will result on loan forgiveness of 25% or $20,000. After January 1, 2023, the loan may be converted into a 3-year term loan at a fixed annual interest rate of 5%.

The CEBA loans were initially fair valued using a discount rate of 8.0% and were measured at $56,643 with difference of $23,357 being recognized as a government grant on the consolidated statement of loss during the year ended August 31, 2020. The accretion expense of $4,095 was recorded on the CEBA loans during the nine-month period ended May 31, 2021.

10. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Issuances of share capital:

There were no shares activities during the nine-month period ended May 31, 2021.

Share activities during the nine-month period ended May 31, 2020 were as follows:

On February 19, 2020, the Company has issued 2,000,000 common shares at a price of $0.05 per unit for a total of $100,000, Each unit consists of one (1) common share and one (1) transferable share purchase warrant. Each warrant is exercisable for a purchase of an additional share of the Company for a period of twenty-four (24) months from the date of closing of the private placement at an exercise price of $0.10 per common share.

Shares subscribed:

During the nine-month period ended May 31, 2021, the Company has received $180,000 in share subscriptions (2020 - $Nil).

Stock options

The Company's existing stock option rolling plan to reserve 10% of issued shares for issuance to executive officers, directors, employees and consultants of the Company. Under the plan, the exercise price of each option is set on the date of grant at no less than the discount market price of the Company's stock as determined per the CSE policy. Options granted under the plan have a term not to exceed ten years and are subject to vesting provisions as determined by the board of directors.

There were no stock options granted during the periods ended May 31, 2021 and 2020.

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

Warrants

A summary of warrants as at May 31, 2021 and 2020 is as follows:

	Warrant Outstanding	
		Weighted Average
	Number of warrants	Exercise Price
Balance, August 31, 2018 and 2017	-	$ -
Issued	10,000,000	0.075
Balance, August 31, 2019	10,000,000	$ 0.075
Issued	2,000,000	$ 0.10
Balance, August 31 2020 and May 31, 2021	12,000,000	$ 0.079

Number Outstanding	Weighted Average Exercise Price	Expiry Date	Weighted Average Remaining Life
8,000,000	$0.075	May 22, 2024	2.98
2,000,000	$0.075	June 5, 2024	3.02
2,000,000	$0.100	February 19, 2022	0.72
12,000,000	$0.079		2.24

(Expressed in Canadian dollars)

11. LEASE LIABILITY

On September 1, 2019 the Company entered into a lease agreement for a motor vehicle for future minimum annual operating lease commitments of $20,142 for three year and ending August 1, 2022.

The Company has recorded this lease as a Right-Of-Use Asset and lease liability in the statement of financial position as at November 30, 2020. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The effect of discounting the lease payments using an interest rate of 8%, which is the Company’s incremental borrowing rate. The continuity of the lease liability is presented in the table below.

Balance, August 31, 2019	$	-
Fair value, initial measurement		20,142
Lease payments		(6,191)
Balance, August 31, 2020	$	13,951
Lease payments		(1,624)
Balance, November 30, 2020	$	12,327
Less current portion		(6,698)
Non-current obligation		5,629

Gross lease obligation - minimum lease payments	
1 year	7,572
Future interest expense on lease obligations	(601)
	6,833

12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL COMPENSATION

The Company defines related parties to include significant shareholders, key management and officers and directors, as well as companies controlled by them.

		May 31, 2021		**May 31, 2020**
Due from shareholders (a)	$	320,369	$	324,328
Due from related parties	**$**	**320,369**	**$**	**324,328**

		May 31, 2020		**May 31, 2020**
Due to directors and officers (a)	$	(33,750)	$	(17,250)
Due to related parties	**$**	**(33,750)**	**$**	**(17,250)**

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

	May 31, 2021	May 31, 2020
	$	$
*Software development - web / branding	**12,000**	-
	12,000	-

* Software development wad paid as an advance to a Company controlled by a director of the Company.

(a) Due to directors and officers represents the director fees and consulting fees payable to the Company's directors, Mr. Stan Grunzeweig, Mr. Jim Y. Huang and to a related company owned by the former CFO of the Company

During the six-month period ended February 28, 2020, the Company recorded director fees of $4,000 (February 29, 2020 - $9,250) for the above former directors, and $nil (2020 - $15,000) of consulting fees to company controlled by the former CFO).

During the nine-month period ended May 31, 2021, the Company recorded $nil salary of (2020 - $40,000) to Wen Xu the former Chairman and director of the Company and $nil (2020 - $29,500) to the Weidong Wang the former CEO of the Company (the "Shareholders"), and recorded $nil director fees to each of the shareholders; respectively, (2020 - $7,000 each) that were recorded as a reduction to the balance owed by the related parties.

(b) During the nine-month period ended May 31, 2021, the Company recognized interest income of $14,500 (2020 - $14,500) related to $225,000 loan to Weidong Wang.

(c) During the nine-month-ended May 31, 2021, the Company has advanced $12,000 to a company controlled by a director of the company for advance on software development work and branding.

(d) During the year ended August 31, 2020, the Company advanced $28,000 to a former director. The loan is non-interest bearing and is to be repaid on or before December 31, 2020. As of the date of this report, this loan remains unpaid.

(e) On April 22, 2019, the Company issued $50,000 short term loan to a former director of the Company. The loan matured within one week with $Nil interest. The Company did not receive the loan repayment as of and subsequent to August 31, 2019. The loan receivable, net of payable to the same individual, is $42,000. Therefore, management has decided to write off this loan receivable and recorded an expense of $42,000.

13. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Fair Value

Assets and liabilities carried at fair value must be classified using a three-level hierarchy that reflects the significance and transparency of the inputs used in making the fair value measurements:

- Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - one or more significant inputs used in a valuation technique to determine fair value are unobserved.

The carrying amount of the Company's cash, due to and due from related parties and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

Risk

The Company's risks exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the loss associated with counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk includes cash and due from related parties. The Company's maximum exposure to credit risk is equal to the carrying value of these financial assets. The Company reduces its credit risk by maintaining its bank accounts at large financial institutions, and monitoring receivables closely.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that sufficient cash and credit facilities are available to meet liabilities when due. As at May 31, 2021, the Company had working capital surplus of $262,342 (August 31, 2020 working capital surplus of $188.941). The ability to do this relies on the Company to generate income in the future or raise capital in a timely manner to maintain sufficient cash in excess of anticipated needs.

Capital Management

The Company's capital management objectives are to ensure sufficient liquidity to support its financial obligations and raise the necessary equity financing to execute its operating and strategic growth plans. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development.

(Expressed in Canadian dollars)

12. CONTINGENCIES

On August 16 and October 2, 2019, the Company was served with two Statements of Claim issued by the Ontario Superior Court of Justice (Commercial List) that named the Company as one of the defendants. These two Statements of Claim sought damages in the amount of $500,000 and $1,500,000, respectively and an unspecified sum of punitive damages from allegations of breach of contract, negligence and misrepresentations. The Company denies the allegations made against the Company in the Statements of Claim.

No provision has been recorded in the consolidated financial statements since management believes that there is no merit to these claims.

13. COMMITMENT

During the year end August 31, 2020, the Company and its subsidiary returned a motor vehicle to the lessor with a lease term of three years. The lessor sold the motor vehicle and final termination costs of $5,557 were accrued in these condensed interim consolidated financial statements.

14. GENERAL AND ADMINISTRATIVE EXPENSES

	31-May-21	31-May-20
	$	$
Accretion	**4,095**	-
Bank charges and interest	**1,096**	3,554
Depreciation and amortization	**6,745**	5,722
Office expense	**10,680**	23,952
Payroll, consulting and director fees	**25,500**	184,546
Professional fees	**34,744**	121,254
Travel, automobile, and entertainment	**-**	44,671
	82,861	383,699

15. SUBSEQUENT EVENTS

Subsequent to May 31, 2021:

- See Note 10 (c) the loan was not repaid by December 31, 2020.
- Subject to regulatory approval, on November 12, 2020 the Company announced a proposed non-brokered private placement offering for the sale of up to 8,000,000 common shares of the Company at a price of $0.05 per share for gross proceeds of up to $400,000. Each share will consist of one common share of the Company. The Company intends to use the gross proceeds from the offering to fund its working capital and general corporate purposes.