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

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED NOVEMBER 30, 2021 AND 2020

(Stated in Canadian dollars)

TWX GROUP HOLDINGS LIMITED

CONTENTS

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 November 30, 2021

(Expressed in Canadian dollars)

	Notes	**(Unaudited) November 30, 2021**	(Audited) August 31, 2020
		$	$
Assets			
Current			
Cash and cash equivalents		**1,444**	1,464
Accounts receivable	5	**33,774**	33,701
Loan receivable	11	**28,000**	28,000
Due from related parties	11	**329,369**	324,869
Prepaid expenses		**43,870**	3,000
		436,457	391,034
Deposits	6	**130,330**	130,330
Plant and equipment	8	**3,462**	3,743
Total assets		**570,249**	525,107
Liabilities			
Current			
Accounts payable and accrued liabilities		**250,298**	249,104
Due to related parties	11	**39,400**	39,400
Loan payable	11	**97,168**	41,298
		386,866	329,807
Long-term loan and government grants	9	**73,592**	72,194
Total liabilities		**460,458**	401,996
Shareholders' equity			
Share capital	10	**5,833,191**	5,833,191
Shares subscribed	10	**180,000**	180,000
Reserve		**162,670**	162,670
Accumulated other comprehensive loss		**(6,728)**	(6,728)
Accumulated deficit		**(6,059,342)**	(6,046,022)
Total shareholders' equity		**109,791**	123,111
Total liabilities and shareholders' equity		**570,249**	525,107
Nature and continuance of operations and going concern	1		
Contingencies	13		
Events after the reporting date	15		

Signed "Kevin Beaulieu", Director

Signed "Denis Hayes", Director

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 Three Months Ended November 30, 2021 and 2020
(Expressed in Canadian dollars)

	Notes	**3 Months ended November 30, 2021**	3 Months ended November 30, 2020
		$	$
Expenses			
General and administrative expenses	14	**17,820**	44,670
Project investigation costs	7	**-**	39,899
		17,820	84,59
Other income			
Government grants	9	**-**	10,015
Interest income		**(4,500)**	(5,855)
Net loss from continuing operations		**(13,320)**	(88,729)
Total comprehensive loss		**(13,320)**	(88,729)
Basic and diluted loss per share		**(0.00)**	(0.00)
Basic and diluted loss per share from continuing operations		**(0.00)**	(0.00)
Weighted average number of shares outstanding			
Basic and diluted		**31,950,457**	31,950,457

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 Shares	Amount	Share-based Reserve	Shares Subscribed	Accumulated other comprehensive Income (loss)	Accumulated Deficit	Total Shareholders' Equity
Balance at August 31, 2020	**31,950,457**	**5,833,191**	**162,670**	**-**	**(6,728)**	**(5,846,405)**	**142,728**
Shares subscribed	-	-	-	140,000	-	-	140,000
Net loss for the year	-	-	-	-	-	(88,729)	(88,729)
Balance at November 30, 2020	**31,950,457**	**5,833,191**	**162,670**	**140,000**	**(6,728)**	**(5,935,134)**	**193,999**
Shares subscribed	-	-	-	40,000	-	-	40,000
Net loss for the year	-	-	-	-	-	(110,888)	(110,888)
Balance at August 31, 2021	**31,950,457**	**5,833,191**	**162,670**	**180,000**	**(6,728)**	**(6,046,022)**	**123,111**
Net loss for the year	-	-	-	-	-	(13,320)	(13,320)
Balance at November 30, 2021	**31,950,457**	**5,833,191**	**162,670**	**180,000**	**(6,728)**	**(6,059,342)**	**109,791**

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 Three Months Periods Ended November 30, 2021 and 2020
(Expressed in Canadian dollars)

	2021	2020
	$	$
Operating activities		
Net loss for the year	**(13,320)**	(88,729)
Items not involving cash		
Accretion	**1,398**	-
Depreciation	**281**	2,276
Loss on sale of asset	**-**	
	(11,641)	(86,453)
Changes in non-cash working capital		
Accounts receivable and other receivables	**(73)**	27,666
Prepaid expenses	**(40,870)**	(100,240)
Due from related parties	**(4,500)**	(4,500)
Accounts payable and accrued liabilities	**1,194**	8,558
Lease liability	**-**	(1,624)
Due to related parties	**-**	(5,650)
	(55,890)	(162,243)
Investing activities		
Deposits	**-**	-
Acquisition of plant and equipment	**-**	-
	-	-
Financing activities		
Issuance of share capital, net of cost	**-**	-
Shares subscribed	**-**	140,000
Lease liability	**-**	-
Loan receivable	**-**	-
Loan payable	**55,870**	-
Long – term debt	**-**	11,498
	55,870	151,498
Decrease in cash	**(20)**	(10,745)
Cash, beginning of the period	**1,464**	12,461
Cash, end of the period	**1,444**	1,761

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, 2021 were approved and authorized for issuance by the Board of Directors of the Company on March 21, 2022

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 three months ended November 30, 2021, the Company reported a net loss of $13,320 and as at that date had deficit of $6,059,342. 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

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 $33,774(November 30, 2020 - $32,669) as at November 30, 2021.

6. DEPOSITS

	November30 2021	August 31, 2021
	$	$
Software Development - web / branding	**12,000**	12,000
Copper Cathodes Contract	**118,330**	118,330
	130,330	130,330

Software Development

A deposit for software development was paid to a company controlled by a director and CEO of the Company.

Copper Cathodes Contract

Pursuant to Sale and Purchase Contract dated November 16, 2020 between the Company and Mr. Moustapha Bah, the Company paid a deposit of $118,330 on a contract to purchase and sale of Copper Cathodes Grade A (Electrolytic Copper Grade) Cathodes. The terms of the contract are as follows:

6. **DEPOSITS** (continued)

Copper Cathodes Contract (continued)

The first delivery quantity is 500 MT (+/- 10%). The payment terms are as follows:

The US$90,700 (CAD $118,330) advance payment is refundable deposit if shipment is not ship out loading port, Durban, South Africa, and if shipped out will apply on the trail order to be deducted from the final payment and the revolving orders will remain 100% cost, insurance, and freight (CIF) (est. London Metal Exchange (LME) @$7,113 x .85% x 500 metric ton (MT) x 3% advance deposit). The Company's share of the contract will be recorded as a net sale.

- After goods arriving destination port (defined as "Shanghai Yang Shan port or other safety China ports"), Buyer shall complete inspection by China Inspection and Quarantine (CIQ), within 7 working days after inspection completed, the total amount of goods shall be Telegraphic Transfer (TT) to Seller's Nominated account against Seller's payment document;
- If the degree of purity of Copper Cathodes Cu less than 99.98% as a result of inspection at the discharging port, The CIF Unit price shall be deducted at the rate of 2.5% for each Cu 0.01% lower than Cu 99.97% and will be automatically deducted from the payment proceeds;
- Calculation of total amount of 500 MT trail order: Unit price of copper cathode is the 3 Business days (before two days and on the date of receiving report from CIQ Inspection) average price of LME cash price Minus 15% discount, per MT CIF to port of China. The price of the goods includes all costs incurred by the Seller up to and including delivery basis CIF to unloading ports of China.
- Required payment documents of 500 MT trail order;
- Origins and 3 copies of commercial invoices with fully signature and stamped, indicating the invoice amount based on COD, Contract number and date, and the goods description;
- One original and three copies of certificates of origin; issued by chamber of commerce or authority of original country;
- One original and three copies of Quality and weight inspection certification of goods issued by Office Congolaise De Controle "OCC"/ SGS / ALEX STEWART or SEAMIC at Loading port;
- Full 3/3 origins and copies of Bill of Lading;
- One copy of Quality and weight inspecting certification of goods issued by CIQ at destination port.

7. PROJECT INVESTIGATION COSTS

During the year ended August 31, 2021, the Company sought opportunities and investigations of projects in Tanzania, Democratic Republic of the Congo and Zambia. Because of uneconomical prospects and lack of equity funds; the aforementioned projects were written off.

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. The Miyabi gold property, Is located at Dalafuma, Tanzania, has historical work performed.

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.

As at November 30, and August 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 Mr. Watson Kyakilika to carry an investigation site visit on property in the Democratic Republic of the Congo project with Chika Copper and Gold Limited for possible joint venture. Tthe 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 a 30% Joint Venture. 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 November 30, and August 31, 2021, the Company has expended $13,783 towards monies spent towards project investigation costs for this project.

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 submitted the bid and subsequently decided not to pursue the project.

As at November 30, and August 31, 2021, the Company has expended $26,160 towards monies spent towards project investigation costs for this project.

(Expressed in Canadian dollars)

8. PLANT AND EQUIPMENT

	Lease Improvements	Furniture	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, August 31 & Nov 30, 2021	**9,425**	**6,270**	**6,015**	**20,142**	**41,852**

	Lease Improvements	Furniture	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	-	-	1,370	-	1,370
Adjustment	-	-	-	12,570	**12,570**
Balance, August 31, 2021	**9,425**	**6,270**	**2,272**	**20,142**	**38,109**
Depreciation	-	-	281	-	281
Balance, November 30, 2021	**9,425**	**6,270**	**2,553**	**20,142**	**38,390**
Net Carrying Amounts					
Balance, Aug 31, 2020	-	-	5,113	-	5,113
Balance, August 31, 2021	-	-	3,743	-	3,743
Balance, November 30, 2021	**-**	**-**	**3,462**	**-**	**3,462**

9. LONG-TERM LOANS AND GOVERNMENT GRANTS

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, 2023 and repayment of the loan prior to December 31, 2023 will result on loan forgiveness of 25% or $20,000. After January 1, 2024, 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 measured value of the CEBA loan as at November 30, 2021 was $73,592 (August 31, 2021: $72,194). During the three month period ended August 31, 2021, the accretion expense of $1,398 (August 31, 2021: $5,348) was recorded.

The CEBA loan forgiveness repayment deadline has been extended from December 31, 2022 to December 31, 2023. See Note 18 Subsequent events.

10. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Issuances of share capital:

There were no share activities during the three month period ended November 30, 2021 and November 30, 2020.

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 years ended August 31, 2021 and 2020.

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

Warrants

A summary of warrants as at November 30, 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 & Nov 30, 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	2.73
2,000,000	$0.075	June 5, 2024	2.76
2,000,000	$0.100	February 19, 2022	0.47
12,000,000	$0.079		1.99

Subsequent to the three- months ended November 30, 2021, 2,000,000 warrants exercisable $0.10 per unit expired unexercised. See Note 18 Subsequent events.

(Expressed in Canadian dollars)

11. 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.

		November 30, 2021		August 31, 2021
Due from shareholders (a)	**$**	**329,369**	$	324,869
Due from related parties	**$**	**329,369**	$	324,869

		November 30, 2021		August 31, 2020
Due to directors and officers (a)	**$**	**(45,400)**	$	(39,400)
Due to related parties	**$**	**(45,400)**	$	(39,400)

	November 30, 2021	August 31, 2021
	$	$
Software development - web / branding (c)	**12,000**	12,000
	12,000	12,000

(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 and to a company controlled by a director and CEO appointed during the year ended August 31, 2021.

During the three month period ended November 30, 2021, the Company recorded director fees of $Nil (August 31, 2021 -$25,000) to a company controlled by a director of the Company. During the three month period ended November 30, 2021, the Company recorded director fees of $nil (August 31, 2020 - $nil) for the above directors, and $nil (August 31, 2021 - $nil) of consulting fees to a related company owned by the former CFO of the Company. In addition, the Company recorded consulting fees of $nil to a director, Mr. Stan Grunzeweig of the Company (August 31, 2021 - $nil) for the three month period ended November 30, 2021.

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

During the three month period ended November 30, 2021, the Company recorded $nil salary of (2021 - $Nil) to Wen Xu the former Chairman and director of the Company and $nil (2021 - $nil) to the Weidong Wang the former CEO of the Company (the "Shareholders"), and recorded $nil director fees) to each of the shareholders (2021 - $nil; respectively, that were recorded as a reduction to the balance owed by the related parties.

In the year ended August 31, 2019 the Company made a loan of $225,000 to Weidong Wang that was non-secured, bearing interest of 8%, due on demand, and was partly paid in the year. As at November 30, 2021, the outstanding balance of this loan was $270,000 (August 31, 2021 $265,500, including interest).

(b) During the three month period ended November 30, 2021, the Company recognized interest income of $4,500 (2021 - $4,500) related to a $225,000 loan to Weidong Wang.

(c) During the year ended August 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. The balance of this advance was 12,000 as at November 30, 2021.

(d) During the year ended August 31, 2021, the Company advanced $Nil (2020: $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) The loan payable of $97,168 is payable to a non-related company and is unsecured and non- interest bearing.

12. 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:

<u>Credit risk</u>

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.

<u>Liquidity risk</u>

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 November 30, 2021, the Company had working capital surplus of $49,591 (August 31, 2021 working capital surplus of $61,227). 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.

<u>Capital Management</u>

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)

13. 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.

14. GENERAL AND ADMINISTRATIVE EXPENSES

	30-Nov-21	30-Nov-20
	$	$
Accretion	**1,398**	1,483
Bank charges and interest	**15**	960
Depreciation and amortization	**281**	2,276
Office expense and filing fees	**5,476**	6,295
Payroll, consulting and director fees	**-**	13,500
Professional fees	**10,650**	20,155
	17,820	44,670

15. EVENTS AFTER THE REPORTING DATE

Subsequent to November 30, 2021:

- See Note 10 (c) the loan was not repaid by December 31, 2020.
- On January 12, 2022, the Department of Finance Canada announced the repayment deadline for the Canada Emergency Business Account (CEBA) loans to qualify for partial loan forgiveness is being extended from December 31, 2022, to December 31, 2023, for all eligible borrowers in good standing.
- On January 24, 2022, the Company paid $9,050 US as an LME Price adjustment on the Copper Cathode Contract.
- On February 19, 2022, 2,000,000 warrants exercisable $0.10 per unit expired unexercised.