MILES TECHNOLOGY INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

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McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Miles Technology Inc.

Opinion

We have audited the consolidated financial statements of Miles Technology Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2020 and 2019 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended September 30, 2020 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – Restatement

We draw attention to Note 13 in the consolidated financial statements, which explains that certain comparative information presented for the year ended September 30, 2019, has been restated. Our opinion is not modified in respect of this matter.

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Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

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risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
January 28, 2021

MILES TECHNOLOGY INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	**September 30, 2020**	**September 30, 2019**
	$	**$**
		[Note 13]
ASSETS		
Current		
Cash in trust *[Note 7]*	—	31,800
Total Assets	—	31,800
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**7,149**	7,986
Share subscription liability *[Note 7]*	—	31,800
Advances from related parties *[Note 6]*	**59,246**	70,836
Total Liabilities	**66,395**	110,622
SHAREHOLDERS EQUITY (DEFICIENCY)		
Share capital *[Note 7]*	**120,164**	89,264
Accumulated deficit	**(186,559)**	(168,086)
Total shareholders' equity (deficiency)	**(66,395)**	(78,822)
Total liabilities and shareholders' equity (deficiency)	—	31,800

Going concern [Note 2]

Approved on behalf of the Board of Directors on January 28, 2021

/s/ Paolo Abate
Director

/s/ Nick Tsimidis
Director

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

MILES TECHNOLOGY INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended September 30, 2020	Year ended September 30, 2019
	$	**$**
Expenses		
Professional and other expenses *[Note 10]*	**18,473**	20,194
Loss before income taxes	**18,473**	20,194
Income tax expense *[Note 8]*	—	—
Net loss and comprehensive loss	**18,473**	20,194
Loss per share - basic and diluted *[Note 9]*	**0.0061**	0.0072
Weighted average number of common shares - basic and diluted	**3,038,167**	2,795,200

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

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars)

	Share capital			
	Number of shares	Amount	Accumulated deficit	Total
	#	$	$	$
Balance as at September 30, 2018	**2,795,200**	**89,264**	**(147,892)**	**(58,628)**
Net and comprehensive loss for the year	—	—	(20,194)	**(20,194)**
Balance as at September 30, 2019	**2,795,200**	**89,264**	**(168,086)**	**(78,822)**
Net and comprehensive loss for the year	—	—	(18,473)	**(18,473)**
Private placement	309,000	30,900	—	**30,900**
Balance as at September 30, 2020	**3,104,200**	**120,164**	**(186,559)**	**(66,395)**

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

MILES TECHNOLOGY INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended September 30, 2020 $	Year ended September 30, 2019 $
		[Note 13]
Operating activities		
Net loss	**(18,473)**	(20,194)
Changes in working capital items:		
Accounts payable and accrued liabilities	**(837)**	(5,236)
Cash used in operating activities	**(19,310)**	(25,430)
Financing activities		
Advances from related parties *[Note 6]*	**(11,590)**	25,430
Proceeds from private placement	**30,900**	
Cash provided by financing activities	**19,310**	25,430
Net change in cash	**—**	—
Cash, beginning of year	**—**	—
Cash, end of year	**—**	—

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

1. NATURE OF OPERATIONS

Miles Technology Inc. (the "Company" or "Miles") was incorporated pursuant to the British Columbia Business Companies Act on January 6, 2015, and subsequently continued to Alberta. The Company's head office is located at 1275 Finch Avenue West, Suite 812, Toronto, Ontario.

2. GOING CONCERN

These consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The Company's ability to meet its corporate and administrative obligations is dependent on the continuing support of its creditors and its ability to secure additional financing. Management is actively pursuing additional financing and, while it has been successful in the past, there can be no assurance it will be able to raise sufficient funds in the future.

As at September 30, 2020, the Company's current liabilities exceeded its current assets by $66,395 (September 30, 2019: $78,822), the Company has incurred a net loss and comprehensive loss of $18,473 during the year ended September 30, 2020 (year ended September 30, 2019: net loss and comprehensive loss of $20,194), and as at September 30, 2020 has accumulated deficit of $186,559 (September 30, 2019: $168,086), and anticipates to incur further losses. The Company's ability to continue operations and fund its product development is dependent on management's ability to attain profitable operations and/or secure additional financing. Management is actively pursuing such additional sources of financing, and there can be no assurance it will be able to do so in the future. These matters represent material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

3. BASIS OF PRESENTATION AND CONSOLIDATION

3.1 Statement of compliance

These annual 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"). The consolidated financial statements of the Company as at and for the year ended September 30, 2020, and 2019, comprise the Company and its wholly-owned subsidiary.

The Board of Directors approved these consolidated financial statements on January 28, 2021.

3.2 Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 4.

3.3 Functional and presentation currency

The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

3.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, APTN Property Development Corp. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated on consolidation. There were no significant transactions or balances in the books of the subsidiary. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. Subsidiaries are entities the Company controls. The Company has control when it has power over the entity, has exposure or rights to variable returns from its involvement and has the ability to use its power over the entity to affect returns.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash equivalents

Cash equivalents comprise balances with an original maturity of 90 days or less. The Company's cash consists of cash in a legal trust.

4.2 Share-based payments

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, they are measured at the estimated fair value of the goods on services received. The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted, using an appropriate valuation model. The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled.

4.3 Taxation

Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statements of loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax is recognized using the liability method on temporary differences at the reporting between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be used.

4.4 Loss per share

The loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. Diluted earnings per share ("Diluted EPS") is calculated by adjusting the net income attributable to the shareholders of the Company and the weighted average number of shares outstanding for the effects of all potentially dilutive equity instruments. Net income, attributable to the shareholders of the Company, is the same for both the Basic EPS and Diluted EPS calculations.

4.5 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

4.6 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in consolidated statement of loss and comprehensive loss.

4.7 Financial instruments

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company currently has no financial assets subject to impairment. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, share subscription liability and advances from related parties, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

4.8 Equity

The common shares are classified as equity. Costs, such as commissions, professional fees and regulatory fees directly attributable to the issuance of common shares are deducted from the proceeds of the offering.

4.9 Significant accounting judgments and estimates

The application of the Company's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive loss, assets and liabilities recognized and disclosures made in the consolidated financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Key areas where management has made estimates include going concern and valuation of deferred tax assets. Actual results could differ from the estimates used. Management's budget and strategic plans are fundamental information used as a basis for estimates necessary to prepare financial information.

The following areas require management's critical estimates and judgments:

(i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These consolidated financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in the normal course of operations for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast significant doubt upon the appropriateness of this assumption. Refer to Note 2 for more details.

(ii) Income taxes

The Company computes an income tax provision in the jurisdictions in which it operates. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period. The income tax provision is based on estimates of full-year earnings by jurisdiction. The average annual effective income tax rates are re-estimated at the end of each reporting period. To the extent that forecasts differ from actual results, adjustments are recorded in subsequent periods.

To determine the extent to which deferred tax assets can be recognized, management estimates the amount of probable future taxable profits that will be available against which deductible temporary differences and unused tax losses can be utilized. Such estimates are made as part of the budget process on an undiscounted basis and are reviewed on a quarterly basis. Management exercises judgment to determine the extent to which realization of future taxable income will be available against which the deductible temporary differences and unused tax losses can be utilized.

(Expressed in Canadian dollars)

5. CHANGES IN ACCOUNTING STANDARDS

IFRS 16, Leases

The Company has adopted IFRS 16 effective October 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 Leases. IFRS 16 requires lessees to recognize most leases on the balance sheet to reflect the right to use an asset for a period of time and an associated lease liability for payments. The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after October 1, 2019. The Company has determined that there is no change to the comparative periods or transitional adjustments required as a result of the adoption of this standard. The adoption of IFRS 16 did not have a significant impact on the Company's consolidated financial statements.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on October 1, 2020 or later. Management believes such matters are not applicable or are not consequential to the Company.

6. ADVANCES FROM RELATED PARTIES

Advances from related parties as at September 30, 2020 include $1,659 due from a director and $57,587 due from an entity controlled by the directors (September 30, 2019: $1,659 and $69,177 respectively). These advances are unsecured, interest free and are repayable on demand.

7. SHARE CAPITAL

Authorized

The authorized share capital of the Company consists of an unlimited number of common shares.

Issued

	Number	Amount
Balance, September 30, 2018, 2019	**2,795,200**	**$ 89,264**
Issued, private placement	309,000	30,900
Balance, September 30, 2020	**3,104,200**	**$ 120,164**

On December 18, 2019, the Company closed a private placement of common shares, raising total gross proceeds of $30,900 from the issuance of 309,000 shares at $0.10 per share. Cash proceeds of $31,800, related to the private placement was received prior to September 30, 2019 and was included in share subscription liability as at September 30, 2019.

(Expressed in Canadian dollars)

8. INCOME TAXES

Income taxes

The provision for income taxes differs from that computed at the Canadian corporate tax rate of approximately 26% for the year ended September 30, 2020 (September 30, 2019 – 26%) as follows:

	2020	2019
	$	**$**
Net loss for the year	**18,473**	20,194
Expected income tax recovery	**4,800**	5,000
Benefit of tax assets not recognized	**(4,800)**	(5,000)
Deferred income tax position (recovery)	—	—

Deferred income taxes

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2020	2019
	$	**$**
Non-capital loss carry-forward	**151,500**	135,100

At September 30, 2020, the Company had net operating loss carry forwards of approximately $151,500 that may, under certain circumstances, be offset against future taxable income. These losses, if unused, will expire by 2041.

9. LOSS PER SHARE

Basic and diluted loss per share of $0.0061 for the year ended September 30, 2020 (September 30, 2019 loss per share - $0.0072) has been calculated on the basis of the net loss of $18,473 (September 30, 2019 - loss of $20,194) on 3,038,167 (September 30, 2019 - 2,795,200) common shares being the basic and diluted weighted average number of the outstanding issued shares.

10. RELATED PARTY TRANSACTIONS AND BALANCES

Professional and other expenses include $7,200 representing the Company's share of rent and office costs, telephones, internet and communication, and all other services charged by an entity owned by a director of the Company, which is outstanding as of the year end (September 30, 2019: $7,200) *[Note 6]*.

11. CAPITAL MANAGEMENT

The Company's capital management objectives, policies and processes have remained unchanged during the years ended September 30, 2020 and 2019. In the management of capital, the Company includes share capital and accumulated deficit. The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value through the development of its wireless network booster; to maintain a good capital base so as to maintain investor and creditor confidence and to sustain future development of the business and to safeguard the Company's ability to obtain financing when the need arises.

In maintaining its capital, the Company has a strict investment policy which includes investing any surplus capital only in highly liquid, highly rated financial instruments.

The Company reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the year.

12. FINANCIAL RISK FACTORS

The Company is exposed to credit risk, currency risk, liquidity risk and interest rate risk. The Company’s management oversees the management of these risks. The Company’s management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite.

(a) Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash. In order to reduce risk from its cash balance, the Company ensures to place funds with a highly reputable financial institution.

(b) Foreign Currency Risk

Currency risk is the risk that the future cash flows or fair value of the Company’s financial instruments that are denominated in a currency that is not the Company’s functional currency will fluctuate due to the change in foreign exchange rate. The Company is not exposed to this risk as it does not have any foreign currency transactions or balances.

(c) Liquidity Risk

Liquidity risk is the risk that the Company is unable to generate or obtain sufficient cash or its equivalents in a cost-effective manner to fund its obligations as they come due. The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company relies on its shareholders and external sources of debt to raise liquidity as and when required. The Company is exposed to liquidity risk as its current liabilities exceed current assets as of September 30, 2020 by $66,395 (2019 - $78,822).

(Expressed in Canadian dollars)

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to this risk as it does not have any interest based financial instruments.

Measurement and classification of financial instruments

The fair values of Company's financial instruments as at September 30, 2020 and 2019 approximate their carrying values due to the short-term nature of the financial instruments.

13. PRIOR YEAR RESTATEMENT

The financial statements for the year ended September 30, 2019 have been restated to reflect the proceeds received related to the December 18, 2019 private placement that had been received prior to and were in legal trust on September 30, 2019. As a result of this correction, current assets and liabilities have increased.

	As Previously Reported	**Adjustment**	**As Restated**
	$	**$**	**$**
Consolidated Statement of Financial Position			
Cash in trust	-	31,800	31,800
Share subscription liability	-	31,800	31,800