

Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)

CENTR BRANDS CORP.

For the six months ended November 30, 2021 and 2020
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102 “Continuous Disclosure Obligations”, if an auditor has not performed a review of the interim financial statements, the financial statements must be accompanied by a notice indicating that they 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 financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of interim financial statements by an entity’s auditor.

CENTR BRANDS CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

	November 30, 2021	May 31, 2021
Assets		
Current assets:		
Cash	\$ 2,463,547	\$ 832,047
Accounts receivable	365,156	153,427
Inventories (note 3)	1,641,341	1,119,298
Prepaid expenses and other assets	181,121	254,084
	<u>4,651,165</u>	<u>2,358,856</u>
Property and equipment (note 4)	27,299	16,221
Right-of-use assets (note 5)	497,331	4,201
	<u>\$ 5,175,795</u>	<u>\$ 2,379,278</u>

Liabilities and Shareholders' Equity (Deficiency)

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 632,676	\$ 772,825
Due to related parties (note 12)	625,119	622,112
Lease liability – current portion (note 5)	92,071	6,205
	<u>1,349,866</u>	<u>1,401,142</u>
Lease liability (note 5)	397,625	-
Loans payable (note 7)	31,382	33,189
Warrants liability (note 8)	1,872,533	4,573,585
	<u>3,651,406</u>	<u>6,007,916</u>
Shareholders' equity (deficiency):		
Share capital (note 9)	18,016,529	13,004,027
Reserves (note 10)	1,540,215	2,537,792
Deficit	(18,032,355)	(19,170,457)
	<u>1,524,389</u>	<u>(3,628,638)</u>
	<u>\$ 5,175,795</u>	<u>\$ 2,379,278</u>

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Approved on behalf of the Board:

"Joseph Meehan" Director

"Arjan Chima" Director

CENTR BRANDS CORP.

Condensed Interim Consolidated Statements of Net Income (Loss) and Comprehensive Income
(Loss)
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

	Three months ended Nov. 30, 2021	Three months ended Nov. 30, 2020	Six months ended Nov. 30, 2021	Six months ended Nov. 30, 2020
Sales	\$ 298,799	\$ 317,845	\$ 1,218,915	\$ 451,259
Cost of sales	197,977	152,021	656,190	245,043
Gross profit	100,822	165,824	562,725	206,216
Expenses:				
General and administrative (note 11)	1,394,284	734,208	2,664,742	1,388,214
Share-based compensation (note 10)	116,398	127,766	235,488	191,596
Marketing	79,140	60,327	162,655	136,174
Loss from operations	(1,489,000)	(756,477)	(2,500,160)	(1,509,767)
Other income (expenses):				
Gain on revaluation of warrants liability (note 8)	2,320,419	-	3,646,200	-
Other income (expense)	3,093	4,123	(7,938)	(12,622)
Net income (loss) and comprehensive income (loss)	\$ 834,512	\$ (752,354)	\$ 1,138,102	\$ (1,522,389)
Net income (loss) per share:				
Basic (note 16)	\$ 0.01	\$ (0.01)	\$ 0.01	\$ (0.01)
Diluted (note 16)	\$ 0.01	\$ (0.01)	\$ 0.01	\$ (0.01)

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

CENTR BRANDS CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Unaudited - Expressed in U.S Dollars, unless otherwise stated)

For the six months ended November 30, 2021, and 2020

	Notes	Share capital Common shares		Warrants	Reserves		Deficit	Total
		Shares	Amount		RSUs/Options	Total		
Balance, May 31, 2021		77,086,044	\$ 13,004,027	\$ -	\$ 2,537,792	\$ 2,537,792	\$(19,170,457)	\$ (3,628,638)
Share-based compensation	10	-	-	-	235,487	235,487	-	235,487
Warrants exercised	8, 9(b)	603,347	772,334	-	-	-	-	772,334
Shares issued in private placement	9(b)	3,935,520	3,277,213	-	-	-	-	3,277,213
Shares issuance cost	9(b)	-	(270,109)	-	-	-	-	(270,109)
Shares issued on vesting of restricted share units	9(b), 10(b)	4,950,000	1,233,064	-	(1,233,064)	(1,233,064)	-	-
Net Income for the period		-	-	-	-	-	1,138,102	1,138,102
Balance, November 30, 2021		86,574,911	\$ 18,016,529	\$ -	\$ 1,540,215	\$ 1,540,215	\$(18,032,355)	\$ 1,524,389

	Notes	Share capital Common shares		Warrants	Reserves		Deficit	Total
		Shares	Amount		RSUs/Options	Total		
Balance, May 31, 2020		63,223,601	\$ 4,862,661	\$ 11,683	\$ 427,788	\$ 439,471	\$ (4,925,101)	\$ 377,031
Share-based compensation	10	-	-	-	191,596	191,596	-	191,596
Shares issued in private placement	9(b)	8,810,468	2,355,343	-	-	-	-	2,355,343
Shares issuance cost	9(b)	-	(1,078,644)	927,883	-	927,883	-	(150,761)
Loss for the period		-	-	-	-	-	(1,522,389)	(1,522,389)
Balance, November 30, 2020		72,034,069	\$ 6,139,360	\$ 939,566	\$ 619,384	\$ 1,558,950	\$ (6,447,490)	\$ 1,250,820

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

CENTR BRANDS CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021, and 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Net income (loss) for the period	\$ 1,138,102	\$ (1,522,389)
Adjustments for non-cash items:		
Depreciation	36,010	14,389
Share-based compensation	235,487	191,596
Gain on revaluation of warrants	(3,646,200)	-
Loss on disposal of asset	2,063	-
Foreign exchange	(1,807)	-
Changes in non-cash working capital:		
Accounts receivable	(211,729)	(109,222)
Inventory	(522,043)	100,348
Prepaid expense	72,963	(104,993)
Accounts payable and accrued liabilities	(140,149)	135,917
Due to related parties	3,007	2,659
Interest paid	-	(679)
Net cash used in operating activities	(3,034,296)	(1,292,374)
Financing activities:		
Net proceeds from issuance of common shares and warrants	4,724,586	2,277,703
Payment of lease liability	(40,806)	(7,493)
Net cash provided by financing activities	4,683,780	2,270,210
Investing activities:		
Purchase of property and equipment	(17,984)	-
Net cash used in investing activities	(17,984)	-
Increase in cash	1,631,500	977,836
Cash, beginning of period	832,047	513,774
Cash, end of period	\$ 2,463,547	\$ 1,491,610

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

1. Nature of the business and continuing operations:

CENTR Brands Corp. (formerly River Wild Exploration Inc. (“RWI”)) (the “Company” or “CENTR”) was incorporated under the laws of the Business Corporations Act (British Columbia). The Company’s shares are traded on the Canadian Securities Exchange (the “Exchange”) under the symbol “CNTR”.

The Company’s corporate office is located at 100-2318 Oak St, Vancouver, British Columbia, V6H 4J1. The Company is involved in the development and marketing of beverages infused with hemp-derived extracts and derivatives. The Company is focused on the sales and development of a global brand for the cannabidiol (CBD) infused beverage industry. The Company is currently marketing and selling a sparkling, low-calorie, hemp-based CBD beverage product.

In March 2020, the World Health Organization characterized the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, as a global pandemic. This has resulted in the governments enacting emergency measures to combat the spread of the virus. These measures, which include material disruption to business, resulting in a global economic slowdown. Equity markets have experienced significant volatility. There is significant uncertainty as to the effects this outbreak will have on the business, which may, among other things, negatively impact customers and their demand for the Company’s products. The outbreak may also have an effect on the future collectability of certain receivables. In response to COVID-19, the Company has implemented working practices to address impacts to its operations, employees and customers and will take further measures in the future, if required.

2. Basis of presentation:

(a) Statement of compliance:

These condensed interim consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended May 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on January 28, 2022.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

2. Basis of presentation (continued):

(b) Basis of measurement:

These condensed interim consolidated financial statements have been prepared on a historic cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. Other measurement bases are described in the applicable notes.

Presentation of the condensed interim consolidated statements of financial position differentiates between current and non-current assets and liabilities. The condensed interim consolidated statements of net income (loss) and comprehensive income (loss) is presented using the functional classification of expense.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as our most recent annual financial statements, and should be read in conjunction with the annual audited financial statements of the Company for the year ended May 31, 2021.

(c) Basis of consolidation:

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, CBD Lifestyle Corp. and CENTR Brands USA LLC. The Company accounts for its controlled subsidiaries using the consolidation method of accounting from the date that control commences and deconsolidates from the date control ceases. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation, including unrealized gains and losses on transactions between companies.

(d) Functional and presentation currency:

Except as otherwise noted, these condensed interim consolidated financial statements are presented in U.S. dollars, which is the Company's functional and presentation currency. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the rates of exchange prevailing at the consolidated statement of financial position dates. Non-monetary assets and liabilities are translated at rates prevailing at the date of acquisition. Expenses are translated at the average rate of exchange in effect during the month the transaction occurred.

(e) New accounting pronouncements:

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB. The Company anticipates that the application of these standards, amendments, and interpretations in future periods, as listed below, will have no material impact on the results and financial position of the Company, except for additional disclosures.

- Definition of Accounting Estimates (Amendments to IAS 8).
- Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS PS 2).

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

3. Inventories:

A breakdown of inventory is as follows:

	November 30, 2021	May 31, 2021
Raw materials	\$ 524,114	\$ 629,005
Finished Goods	1,117,227	500,293
	\$ 1,641,341	\$ 1,119,298

The cost of inventories recognized as an expense and included in cost of sales for the six months ended November 30, 2021 was \$415,677 (November 30, 2020 – \$195,946).

4. Property and equipment:

	Cost	Accumulated amortization	Nov. 30, 2021 Net book value	May 31, 2021 Net book value
Computer equipment	\$ 42,924	\$ 16,623	\$ 26,301	\$ 15,015
Furniture and fixtures	2,037	1,039	998	1,206
	\$ 44,961	\$ 17,662	\$ 27,299	\$ 16,221

5. Right-of-use assets and leases liabilities:

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The Company's lease agreements range from four years to five years in length.

Right-of-use assets, May 31, 2021	\$ 4,201
Additions	524,297
Disposal	(2,063)
Depreciation	(29,104)
Right-of-use assets, November 30, 2021	\$ 497,331

Lease liabilities have been measured by discounting future lease payments using a rate implicit in the lease or the Company's incremental borrowing rate. The Company's incremental borrowing rate applied was 4.9%.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

5. Right-of-use assets and leases liabilities (continued):

Lease liabilities, May 31, 2021	\$	6,205
Additions		524,297
Interest expense		9,110
Payments		(49,916)
Lease liabilities, November 30, 2021	\$	489,696
Less: current portion of lease liabilities		92,071
Long term portion of lease liabilities	\$	397,625

6. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities are as follows:

	November 30, 2021	May 31, 2021
Accounts payable	\$ 309,178	\$ 285,949
Accrued other expenses	323,498	486,876
	\$ 632,676	\$ 772,825

7. Loans payable:

	November 30, 2021	May 31, 2021
Canada Emergency Business Account	\$ 31,382	\$ 33,189
	\$ 31,382	\$ 33,189

In April 2020, the Company applied for Canada Emergency Business Account and received a loan of CAD \$40,000 which is interest free and is due in December 2022. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of up to CAD \$10,000. There is an optional extension period from January 1, 2023 to December 31, 2025. If the extension is taken, then there is 5% interest for the extension period.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

8. Warrants liability:

	Number of warrants	Weighted average exercise price (CAD)	Expiry date
Outstanding, May 31, 2021	5,002,059	\$ 0.60	
Issued	4,098,318	1.75	July 2022 to September 2024
Exercised	(603,347)	0.60	September 2023 to November 2023
Outstanding, November 30, 2021	8,497,030	\$ -	

Foreign currency denominated warrants (not including compensation warrants), are considered a derivative as they are not indexed solely to the Company's own stock. The warrants liability was determined using the Black-Scholes option pricing model. As at November 30, 2021, the warrants liability was valued with a fair value of \$1,872,533 (May 31, 2021 – \$4,573,585).

9. Share capital:

(a) Authorized:

The authorized share capital of the Company consists of unlimited number of common shares without par value.

(b) Issued:

	Number of shares	Total Amount
May 31, 2021	77,086,044	\$ 13,004,027
Common shares issuances:		
Private placement	3,935,520	3,277,213
Warrants exercised (note 8)	603,347	772,334
Shares issuance cost	-	(270,109)
Restricted share units vested and issued	4,950,000	1,233,064
November 30, 2021	86,574,911	\$ 18,016,529

On November 30, 2021, there were 86,574,911 common shares (May 31, 2021 – 77,086,044) issued and fully paid.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

9. Share capital (continued):

(c) Escrow securities:

Pursuant to an escrow agreement dated March 7, 2019, 26,000,000 common shares of the Company were deposited into escrow with respect to the Transaction (note 5). All of the Consideration Shares are subject to a thirty six-month time release escrow arrangement in accordance with the policies of the Canadian Securities Exchange (the “CSE”). Under the escrow agreement, 10% of the escrowed common shares were released from escrow on April 3, 2019, the listing date, and 15% are to be released every six months thereafter over a period of thirty-six months.

A summary of the status of the escrowed securities outstanding are as follows:

	Number of shares
Balance, May 31, 2021	7,800,000
Released	(3,900,000)
Balance, November 30, 2021	3,900,000

10. Reserves:

Reserves are comprised of share-based compensation – options and restricted share units:

(a) Share-based compensation – options:

The Company operates an equity-settleable, stock options-based payment compensation plan, under which the Company pays equity instruments of the Company as consideration in exchange for employee and similar services. The plan is open to employees, directors, officers and consultants of the Company and its affiliates.

The fair value of the grant of the options is recognized in the consolidated statements of net loss and comprehensive loss as an expense. The total amount to be expensed is determined by the fair value of the options granted. The total expense is recognized over the vesting period which is the period over which all of the service vesting conditions are satisfied. The vesting period is determined at the discretion of the Board and has ranged from immediate vesting to three years. The maximum number of common shares reserved for issuance, in the aggregate, under the Company’s option plan (and under any other share compensation arrangements of the Company) is 10% of the aggregate number of common shares which are outstanding from time to time.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

10. Reserves (continued):

(a) Share-based compensation – options (continued):

	Number of stock options	Weighted average exercise price (CAD)	Expiry date
Outstanding, May 31, 2021	200,000	\$ 0.41	November 2023
Granted	-		
Outstanding, November 30, 2021	200,000	\$ 0.41	

(b) Share-based compensation – restricted share units (“RSUs”):

The Company operates an equity-settle, RSUs-based payment compensation plan, under which the Company pays equity instruments of the Company as consideration in exchange for employee and similar services. The plan is open to employees, directors, officers and consultants of the Company and its affiliates.

The fair value of the grant of the RSUs is recognized in the consolidated statements of net loss and comprehensive loss as an expense. The total amount to be expensed is determined by the fair value of the RSUs granted. The total expense is recognized over the vesting period which is the period over which all of the service vesting conditions are satisfied. The maximum number of common shares reserved for issuance, in the aggregate, under the Company’s RSU plan (and under any other share compensation arrangements of the Company) is 10% of the aggregate number of common shares which are outstanding from time to time. As at November 30, 2021, this represented 8,657,491 common shares.

	Number of RSUs	Expiry date
Outstanding, May 31, 2021	7,080,000	
Granted	-	
Transferred to shares (note 9(b))	(4,950,000)	February 2025 to February 2026
Outstanding, November 30, 2021	2,130,000	

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

11. General & administrative:

	Three months ended Nov. 30, 2021	Three months ended Nov. 30, 2020	Six months ended Nov. 30, 2021	Six months ended Nov. 30, 2020
Depreciation	\$ 30,321	\$ 7,091	\$ 36,010	\$ 14,388
Other SG&A expenses	270,571	134,933	428,302	235,900
Professional	184,164	156,583	317,254	228,719
Salaries and payroll	909,228	435,601	1,883,176	909,207
	\$ 1,394,284	\$ 734,208	\$ 2,664,742	\$ 1,388,214

12. Related party transactions and balances:

(a) Compensation of key management personnel:

The Company transacts with key individuals from management who have authority and responsibility to plan, direct, and control the activities of the Company. Key management personnel are defined as the executive officers of the Company and the Board, including the Chief Executive Officer, President and Chief Financial Officer.

	Six months ended November 30, 2021	Six months ended November 30, 2020
Salaries and benefits	\$ 225,000	\$ 123,146
Share-based payments	226,565	136,127
Consulting fees	172,889	101,362
	\$ 624,454	\$ 360,635

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

12. Related party transactions and balances (continued):

(b) Transactions with controlling shareholders:

The Company incurred the following transactions with companies having a former director and a director in common:

	Six months ended November 30, 2021	Six months ended November 30, 2020
Consulting fees paid to companies controlled by a director and a former director of the Company	\$ 35,917	\$ 46,533
Other fees paid to companies controlled by a former director of the Company	76,557	15,027
	\$ 112,474	\$ 61,560

As at November 30, 2021, \$625,119 (May 31, 2021 - \$622,112) was included in due to related parties for consulting services, bonus payments and other overhead costs and in the ordinary course of business. These amounts bear no interest and are due on demand.

13. Capital management:

The Company's objective is to maintain a capital structure that supports its long-term growth strategy, maintains creditor and customer confidence, and maximizes shareholder value. There were no changes in the Company's approach to capital management during the six months ended November 30, 2021. The capital structure of the Company consists of its shareholders' equity.

The Company's primary uses of capital are to finance operations, finance new start-up costs, increase non-cash working capital and capital expenditures. The Company's objectives when managing capital are to ensure the Company will continue to have enough liquidity to expand. The Company, as part of its annual budgeting process, evaluates its estimated annual cash requirements to fund planned expansion activities and working capital requirements of existing operations. Based on this cash budget and taking into account its anticipated cash flows from operations and its holdings of cash, the Company is of the view that it has the sufficient capital or the ability to draw the required funds from shareholder commitments.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

14. Financial instruments and fair value measurement:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy and accounting classification.

November 30, 2021	Classification	Fair value level	Carrying value	Fair value
Financial assets not measured at fair value:				
Cash	Amortized cost	2	\$2,463,547	\$2,463,547
Accounts receivable	Amortized cost	2	365,156	365,156
Financial liabilities measured at fair value:				
Warrants liability	FVTPL	2	1,872,533	1,872,533
Financial liabilities not measured at fair value:				
Accounts payable and accrued liabilities	Amortized cost	2	632,676	632,676
Due to related parties	Amortized cost	2	625,119	625,119
Loans payable	Amortized cost	2	31,382	31,382

15. Risk management:

In the normal course of business, the Company is exposed to risks related to financial instruments that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

(a) Credit risk:

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company does not have financial instruments that result in material exposure.

(b) Liquidity risk:

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its financial commitments or can only do so at excessive cost. The Company ensures there is sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and its ability to draw on committed funds from its existing shareholders or to raise funds from external shareholders.

(c) Currency risk:

Currency risk is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company believes it is exposed to significant currency risk, as to date the Company has raised money both only in Canada and in Canadian dollars to fund operations and development, along with a significant proportion of the Company's general and administrative expenses incurred in Canadian dollars.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in U.S. Dollars, unless otherwise stated)

Six months ended November 30, 2021 and 2020

15. Risk management (continued):

(d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have financial instruments that result in material exposure.