Battery Road Capital Corp.
(Capital Pool Company)

FINANCIAL STATEMENTS

For the year ended April 30, 2019
and the period from incorporation
on April 20, 2018 to April 30, 2018
(Expressed in Canadian dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3
Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors of
Battery Road Capital Corp.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Battery Road Capital Corp.(the "Company"), which comprise the statements of financial position as at April 30, 2019 and 2018, and the statements of comprehensive loss, changes in equity and cash flows for the year ended April 30, 2019 and the period from incorporation on April 20, 2018 to April 30, 2018, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2019 and 2018, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and 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 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and do not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indicators that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to 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 Financial Statements

Our responsibility is to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, not 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 the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 risk 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3
Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 audits 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 on the audit resulting in this independent auditor's report is Fernando Costa.

/s/ Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
July 4, 2019

Battery Road Capital Corp.
(Capital Pool Company)
Statements of Financial Position
As at April 30, 2019 and 2018
(Expressed in Canadian dollars)

	2019	2018
	$	$
Assets		
Current assets		
Cash	680,736	430,000
Prepaid expenses	3,987	-
	684,723	430,000
Deferred share issuance costs	-	5,250
	684,723	435,250
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	23,995	15,000
Equity		
Share capital, net of share issuance costs (note 4)	722,483	427,375
Warrants (note 4)	20,969	-
Deficit	(82,724)	(7,125)
	660,728	420,250
	684,723	435,250

Nature of operations and going concern (note 1)

Approved and authorized for issue on behalf of the Board on July 4, 2019

"James Megann", Director

"William Carl Sheppard", Director

The accompanying notes form an integral part of these financial statements

Battery Road Capital Corp.
(Capital Pool Company)
Statements of Comprehensive Loss
For the year ended April 30, 2019 and the period from incorporation on April 20, 2018 to April 30, 2018
(Expressed in Canadian dollars)

	2019	2018
	$	$
Expenses		
Office and communications	546	-
Professional fees	33,655	7,125
Securities and regulatory	41,398	-
Net loss and comprehensive loss for the period	75,599	7,125
Basic and diluted loss per share	(0.01)	(0.01)
Weighted average number of common shares outstanding	10,914,932	860,000

The accompanying notes form an integral part of these financial statements

(Expressed in Canadian dollars)

	Common shares				
	Number of shares	Amount	Warrants	Deficit	Total
		$	$	$	$
Balance, April 20, 2018	-	-	-	-	-
Shares issued for cash	8,600,000	430,000	-	-	430,000
Share issue costs	-	(2,625)	-	-	(2,625)
Comprehensive loss for the period	-	-	-	(7,125)	(7,125)
Balance, April 30, 2018	8,600,000	427,375	-	(7,125)	420,250
Shares issued pursuant to Initial Public Offering financing (note 4)	4,000,000	400,000	-	-	400,000
Share issue costs (note 4)	-	(105,696)	21,248	-	(84,448)
Shares issued on exercise of broker warrants	5,250	804	(279)	-	525
Comprehensive loss for the year	-	-	-	(75,599)	(75,599)
Balance, April 30, 2019	12,605,250	722,483	20,969	(82,724)	660,728

Battery Road Capital Corp.
(Capital Pool Company)
Statements of Cash Flows
For the year ended April 30, 2019 and the period from incorporation on April 20, 2018 to April 30, 2018
(Expressed in Canadian dollars)

	2019	2018
	$	$
Cash provided by (used in):		
Operating activities		
Net loss	(75,599)	(7,125)
Changes in non-cash working capital balances:		
Increase in prepaid expenses	(3,987)	-
Increase in accounts payable and accrued liabilities	8,995	15,000
Cash provided by (used in) operating activities	(70,591)	7,875
Financing activities		
Proceeds from issuance of common shares	400,000	427,375
Share issue costs	(79,198)	(5,250)
Proceeds from the exercise of warrants	525	-
Cash provided by financing activities	321,327	422,125
Increase in cash	250,736	430,000
Cash, beginning	430,000	-
Cash, ending	680,736	430,000

	2019	2018
Supplemental cash flow disclosures:		
Income taxes paid	$ -	$ -
Interest paid	$ -	$ -

The accompanying notes form an integral part of these financial statements

1. Nature of operations and going concern

Nature of operations

Battery Road Capital Corp. (the "Corporation") was incorporated under the Canada Business Corporations Act on April 20, 2018. The Corporation is classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Corporation is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. The Corporation commenced trading on October 2, 2018 under the symbol BTRY.P (TSXV).

The head office and the registered office of the Corporation are located at 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia B3J 3N2.

The financial statements were approved by the Board of Directors on July 4, 2019.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Corporation incurred a net loss for the year of $75,599 (period ended April 30, 2018 - $7,125) and has no operations at this time which will generate revenue. These circumstances have resulted in a material uncertainty that may cast significant doubt about the ability of the Corporation to continue as a going concern. Management believes the Corporation has sufficient working capital to maintain its activities for the upcoming fiscal year.

The Corporation is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business. Management cannot provide assurance that the Corporation will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital.

The ability of the Corporation to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be sufficient to permit the Corporation to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

2. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of presentation

The financial statements have been prepared on a historical cost basis except for any financial assets and liabilities classified as available for sale. The Corporation's functional currency is the Canadian dollar, and these financial statements are presented in Canadian dollars.

a) Share-based payments

The Corporation has a stock option plan that is described in note 4. The Corporation accounts for stock options using the fair value method by applying the Black-Scholes model. The estimated fair value of all stock options granted is recorded in the statement of loss over their vesting periods.

b) Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

c) Loss per share

Basic loss per share is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The Corporation applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

d) Income taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Corporation reassesses unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

e) Significant accounting estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the measurement of deferred income tax assets and liabilities

Significant accounting judgments

ii. the determination of the likelihood of utilizing tax carry-forwards and recognition of deferred income tax assets or liabilities
iii. the evaluation of the Corporation's ability to continue as a going concern

f) Changes in Accounting Policies - Financial instruments

IFRS 9, Financial Instruments ("IFRS 9") introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets that are within the scope of IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets, including equity investments, are measured at their fair values at the end of subsequent accounting periods.

Requirements for classification and measurement of financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was amended in November 2013 to: (i) include guidance on hedge accounting; and (ii) allow entities to early adopt the requirement to recognize changes in fair value attributable to changes in an entity's own credit risk, from financial liabilities designated under the fair value option, in other comprehensive loss, without having to adopt the remainder of IFRS 9. The final version of IFRS 9 was issued in July 2014 and includes: (i) a third measurement category for financial assets-fair value through other comprehensive income; (ii) a single forward-looking expected loss impairment model; and (iii) a mandatory effective date for IFRS 9 of annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation adopted IFRS 9 effective May 1, 2018. The Corporation did not restate its prior period ended April 30, 2018, as the adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on May 1, 2018.

Impact of adoption of IFRS 9

Financial liabilities that are considered modified must be accounted for by discounting the new cash flows at the original effective interest rate, resulting in an immediate impact to the Corporation's net loss and comprehensive loss. Management identified no financial liabilities that were modified prior to May 1, 2018.

IFRS 9 requires the Corporation to use the ECL impairment model in calculating impairment provisions, which differs from the incurred credit loss model under IAS 39. The ECL model is a probability weighted estimate of credit losses. Management has determined that there is no impact on the Corporation's financial statements due to this change in impairment models.

The Corporation determines the measurement of financial assets and liabilities at initial recognition and classifies them at amortized cost. The Corporation completed an assessment of its financial assets and liabilities as at May 1, 2018 and concluded that there were no changes in measurement due to the transition to IFRS 9.

Cash classified as loans and receivables under IAS 39 is classified as a financial asset measured at FTTPL under IFRS 9. There has been no impact on classification of the Corporation's financial liabilities.

Accounting policies associated with IFRS 9

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are initially measured at fair value. Financial assets are classified into one of the following specified categories: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss.

The Corporation's financial instruments are classified and subsequently measured as follows:

Asset / liability model	**Classification**	**Measurement**
Cash	FVTPL	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Impairment of financial assets at amortized cost

The Corporation recognizes an allowance using the ECL model on financial assets classified as amortized cost. The Corporation has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all accounts receivable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”) establishes a five-step model to account for revenue arising from contracts with customer. IFRS 15 is mandatory for adoption for any annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation adopted the new IFRS 15 on May 1, 2018. The Corporation does not currently generate any revenue and therefore there has been no impact on the financial statements from adoption of IFRS 15.

g) New Accounting Standards Issued But Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Corporation may have been excluded from the list below. The Corporation is evaluating any impact the standards noted below may have on the Corporation’s financial statements and this assessment has not been completed.

Standards effective for annual periods beginning on or after January 1, 2019:

IFRS 16 *Leases* – IFRS 16 will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Corporation has adopted IFRS 15. This standard sets out a new model for lease accounting. The adoption of this standard is not expected to have a material impact on the Corporation’s financial statements.

IFRIC 23 *Uncertainty Over Income Tax Treatments* – IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Corporation does not expect any effect on its financial statements.

3. Capital management

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the identification and evaluation of a QT and continue as a going concern. The Corporation considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation’s management to sustain future development of the business. Additional funds may be required to finance the Corporation’s QT.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities, or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval to list its shares on the Exchange.

(Expressed in Canadian dollars)

4. Share capital

a) Common shares:

The Corporation is authorized to issue an unlimited number of common shares without par value.

As at April 30, 2018, there were 8,600,000 common shares in escrow.

	Number of Shares	**Value $**
Outstanding, April 30, 2018	8,600,000	427,375
Shares issued pursuant to the Initial Public Offering	4,000,000	400,000
Less: Share issue costs	-	(105,696)
Shares issued upon exercise of broker warrants	5,250	804
Outstanding, April 30, 2019	12,605,250	722,483

On August 10, 2018, the Corporation filed a Prospectus in respect of an Initial Public Offering ("IPO"). The Corporation's IPO was completed on October 2, 2018 with the issuance of 4,000,000 common shares at a price of $0.10 per share, for gross proceeds of $400,000. The cost of issuing the shares was $105,696. In connection with the financing, the Corporation entered into an Agency Agreement with Haywood Securities Inc. (the "Agent"). As part of the Agency Agreement, the Agent received a cash commission of 10% of gross proceeds, or $40,000, a corporate finance fee of $10,000, and a legal cost reimbursement of $10,000. Additional costs of the IPO included other legal costs of $24,448. The Agent was also granted an option to acquire 10% of the common shares issued in connection with the IPO at a price of $0.10 per common share, exercisable for a period ending twenty-four months from the date the Corporation's common shares are listed on the Exchange. These broker warrants were valued at $21,248 using the Black-Scholes valuation (see below).

On April 30, 2018, the Corporation issued 8,600,000 common shares at $0.05 per share, which are subject to an escrow agreement. These common shares will be held in escrow pursuant to the requirements of the Exchange and terms of escrow agreement and will be released from escrow in stages over a period of up to three years after the date of the Corporation receiving the final Exchange acceptance of the QT. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must also be deposited in escrow pursuant to the terms of the escrow agreement.

On November 1, 2018, the Corporation received proceeds of $525 from the exercise of 5,250 broker warrants at $0.10 per share. The share price on the date the broker warrants were exercised was $0.11.

(Expressed in Canadian dollars)

b) Warrants:

Warrant activity during the year ended April 30, 2019 was as follows:

	Number of Warrants	Value $
Outstanding, April 30, 2018	-	-
Broker warrants issued pursuant to the Initial Public Offering	400,000	21,248
Warrants exercised	(5,250)	(279)
Outstanding, April 30, 2019	394,750	20,969

There were no warrants issued during the period from the date of incorporation on April 20, 2018 to April 30, 2018. On October 2, 2018, the Corporation issued 400,000 broker warrants pursuant to the Agency Agreement as part of the Corporation's IPO. The broker warrants are exercisable into common shares of the corporation at an exercise price of $0.10 per share and expire on October 2, 2020. On November 1, 2018, 5,250 broker warrants were exercised for proceeds of $525.

The 400,000 broker warrants issued during the year ended April 30, 2019 were valued using the Black-Scholes method with the following assumptions:

Risk-free interest rate	2.25%
Expected life	2.0 years
Expected volatility	100%
Expected dividend per share	$0.00
Weighted-average fair value per warrant	$0.05

c) Stock option plan:

The Corporation has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Corporation unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term and are non-transferable. Unless otherwise determined by the Board of Directors, options vest immediately upon granting and may be exercised until the greater of twelve months after the completion of the QT and ninety days following the date of termination of employment or holding office as a director or officer of the Corporation and, in the case of death, expire within one year thereafter. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSX Venture Exchange at the time of the grant.

No options were issued during the year ended April 30, 2019 or the period ended April 30, 2018.

5. Key management compensation and related party transactions

Key management personnel consists of officers and directors of the Corporation. There were no transactions with related parties and no remuneration paid to key management personnel during the period from incorporation on April 20, 2018 to April 30, 2018 or during the year ended April 30, 2019.

6. Financial instruments

Financial Instruments

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and accounts payable approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and maturities.

Fair value hierarchy

As at April 30, 2019, the Corporation held the following financial instruments measured at fair value: cash (Level 1). The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- ***Level 1***: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- ***Level 2***: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- ***Level 3***: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value	**April 30, 2019**	**Level 1**	**Level 2**	**Level 3**
Cash	$ 680,736	$ 680,736	$ -	$ -
Liabilities measured at fair value	$ -	$ -	$ -	$ -

During the reporting period ending April 30, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Credit risk

The Corporation's financial asset is cash. The Corporation's maximum exposure to credit risk, as at year end, is the carrying value of its financial asset. The Corporation manages credit risk by maintaining its cash in trust with the Corporation’s lawyer or with a reputable Canadian bank.

(Expressed in Canadian dollars)

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2019, the Corporation had a cash balance of $680,736, which was on deposit with a Canadian bank (2018 - $430,000 cash held in trust). The Corporation's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

7. Income taxes

The Corporation's effective income tax rate differs from the amount that would be computed from applying the federal and provincial statutory rate of 31% to the pre-tax net loss for the year. The reasons for the difference are as follows:

	2019	2018
	$	$
Loss before income taxes	75,599	7,125
Income tax recovery based on substantively enacted rates	23,436	2,209
Permanent differences	26,992	-
Changes in tax benefits not recognized	(50,428)	(2,209)
Net deferred tax (recovery)	-	-

There are no deferred tax assets or liabilities presented in the statement of financial position. This potential future tax benefit has not been recognized in these financial statements since the Corporation cannot be assured that it is probable that such benefit will be utilized in future years.

The tax effect of deductible and taxable temporary differences that give rise to the Corporation's deferred income tax asset shown below:

	2019	2018
	$	$
Non-capital losses carried forward	31,043	2,209
Share issuance costs	21,594	-
Total gross deferred income tax assets	52,637	2,209
Deferred tax assets not recognized	(52,637)	(2,209)
Net deferred income tax assets (liabilities)	-	-

The deferred tax assets have not been recognized because at this stage of the Corporation's development, it is not determinable that future taxable profit will be available against which the Corporation can utilize such deferred tax assets.

As at April 30, 2019, the Corporation has non-capital tax losses of $100,139 (2018 - $7,125) available for carry-forward to reduce future years' taxable income. These non-capital tax losses expire between 2038 and 2039.