1182533 B.C. Ltd.

Financial Statements

(Presented in Canadian dollars)

For the year ended December 31, 2019 and the period from incorporation on October 10, 2018 to December 31, 2018

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Independent Auditor's Report

To the Shareholders of 1182533 B.C. Ltd.

Opinion
We have audited the financial statements of 1182533 B.C. Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and December 31, 2018, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the year ended December 31, 2019 and for the period from incorporation on October 10, 2018 to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and December 31, 2018, and its financial performance and its cash flows for the year ended December 31, 2019 and for the period from incorporation on October 10, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards.

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 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 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of 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 audit. 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 auditor's 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 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 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

"D&H Group LLP"

Vancouver, B.C.
June 19, 2020

Chartered Professional Accountants

1182533 B.C. Ltd.
Statements of Financial Position
(Presented in Canadian dollars)

As at	December 31, 2019	December 31, 2018
Assets		
Current		
Cash	$ 32,598	$ -
Due from director (Note 8)	-	1,010
GST/HST receivable	20,511	-
Advance payment (Note 1)	1,250,000	-
	$ 1,303,109	$ 1,010
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 108,947	$ 8,139
Advances (Note 4)	124,850	-
	233,797	8,139
Shareholders' Equity (Deficit)		
Share capital (Note 5)	1,588,323	40,168
Deficit	(519,011)	(47,297)
	1,069,312	(7,129)
	$ 1,303,109	$ 1,010

Nature of operations (Note 1)

Event after the reporting period (Note 10)

These financial statements were approved and authorized for issue by the Director on June 19, 2020:

"Darcy Taylor"
Darcy Taylor, Director

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

1182533 B.C. Ltd.
Statements of Loss and Comprehensive Loss
(Presented in Canadian dollars)

	Year ended December 31, 2019	Period from incorporation on October 10, 2018 to December 31, 2018
Expenses		
Advertising and promotion	5,424	-
Consulting (Note 8)	368,090	45,526
Interest and bank charges	435	71
Office expenses	5,940	-
Professional fees	88,748	1,700
Travel	3,077	-
	471,714	47,297
Net and comprehensive loss for the year	$ (471,714)	$ (47,297)
Basic and diluted net loss per common share	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	127,148,459	17,417,073

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

1182533 BC Ltd.
Statements of Changes in Equity
(Presented in Canadian dollars)

	Number of shares	Share Capital	Deficit	Total
Balance, October 10, 2018	-	$ -	$ -	$ -
Proceeds from common shares issued	105,200,000	43,010	-	43,010
Share issuance costs	-	(2,842)	-	(2,842)
Net loss for the period	-	-	(47,297)	(47,297)
Balance, December 31, 2018	105,200,000	40,168	(47,297)	(7,129)
Proceeds from common shares issued	24,562,500	1,615,000	-	1,615,000
Share issuance costs	-	(66,845)	-	(66,845)
Net loss for the year	-	-	(471,714)	(471,714)
Balance, December 31, 2019	129,762,500	$ 1,588,323	$ (519,011)	$ 1,069,312

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

1182533 BC Ltd.
Statement of Cash Flows
(Presented in Canadian dollars)

	Year ended December 31, 2019	Period from incorporation on October 10, 2018 to December 31, 2018
Cash Provided By (Used In) Operating Activities		
Net loss for the year	$ (471,714)	$ (47,297)
Changes in Non-Cash Working Capital		
GST/HST receivable	(20,511)	-
Accounts payable and accrued liabilities	100,808	8,139
Advances received	124,850	-
Cash Flows Provided by (Used in) Operating Activities	(266,567)	(39,158)
Cash Flows From Financing Activities		
Loan from (to) director	1,010	(1,010)
Issuance of common shares	1,615,000	43,010
Share issue costs paid	(66,845)	(2,842)
Cash Flows Provided by Financing Activities	1,549,165	39,158
Cash Flows Used In Investing Activities		
Advance payment	(1,250,000)	-
Net Increase in Cash	32,598	-
Net Cash, beginning of year	-	-
Net Cash, end of year	$ 32,598	$ -

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

For the year ended December 31, 2019 and the period from incorporation on October 31, 2018 to December 31, 2018

1. Nature of Operations

1182533 B.C. Ltd. (the "Company") was incorporated on October 10, 2018 under the *Business Corporations Act* of British Columbia. The Company was formed to acquire a business that develops countercultural mobile games.

The Company's head office is located at 1055 West Georgia Street, Suite 2080, Vancouver, British Columbia, Canada.

Proposed transaction

On October 29, 2019, the Company entered into a Share Purchase Agreement (the "SPA") with East Side Games Inc. (the "Vendor") to purchase all issued and outstanding shares of LDRLY (Technologies) Inc. ("LDRLY"). Pursuant to the agreement, the purchase price of $5,665,000 is to be paid as follows:

- Cash advance of $1,250,000 (paid on February 14, 2019), and
- Issuance of 55,187,500 common shares.

This transaction comprises, in part, a qualifying transaction of Caprice Business Development Canada Inc. ("Caprice"), a capital pool Company listed on the TSX Venture Exchange. Pursuant to the transaction, all of the Company's common shares will be exchanged for common shares in the capital of Caprice. Therefore, the closing of the SPA is subject to receipt of applicable regulatory and TSX Venture Exchange approvals.

The transaction was approved by TSX Venture Exchange and closed on April 21, 2020.

2. Basis of Presentation

a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and judgments 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.

2. Basis of Presentation (continued)

Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant assumptions about the future and other sources of estimated uncertainty that management has made as at the balance sheet dates that could result in a material adjustment to the carrying amount of assets and liabilities in the event that actual results differ from assumptions made, related to, but are not limited to, the following:

(i) Critical accounting estimates

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to, the following:

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

(ii) Critical accounting judgments

Financial instruments

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company’s estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

2. Basis of Presentation (continued)

Functional currency

The determination of the functional currency for the Company was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

Determination of cash-generating units ("CGU") are defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash flows of other assets or groups of assets. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users and the way in which management monitors the Company's operations.

Going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. Significant Accounting Policies

The significant accounting policies of the Company include the following:

(a) Cash

Cash consists of cash on deposit with a Canadian bank. Cash also includes cash equivalents. Cash equivalents are considered to be any term deposit with a maturity of three months or less that the Company may hold. As at December 31, 2019 and December 31, 2018, the Company did not hold any cash equivalents.

(b) Accounts payable and accrued liabilities

Payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers and contractors. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(c) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. Significant Accounting Policies (continued)

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Due from director, advance payment and accounts payable and accrued liabilities are classified as amortized cost.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in comprehensive income or loss in the period in which they arise. Cash is classified as FVTPL.

Financial assets and liabilities carried at FVOCI are initially recorded at fair value. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in comprehensive income or loss in the period in which they arise. As at December 31, 2019 and December 31, 2018, the Company has not classified any financial assets as FVOCI.

Impairment of financial asset at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. Regardless of whether credit risk has increased significantly, the loss allowance for trade receivables without a significant financing component classified at amortized cost, are measured using the lifetime expected credit loss approach. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

3. Significant Accounting Policies (continued)

(d) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. When an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(e) Income taxes

Income taxes are comprised of current and deferred income taxes. Income taxes are recognized in the statement of income (loss) except to the extent that they relate to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or equity, respectively. The Company records income tax assets and liabilities for the current and prior period by measuring the amounts expected to be recovered from, or paid to, the taxation authorities. The current income tax payable is based on taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years and for any installments made during the period.

Taxable income may differ from income reported on the statements of income in the Company's financial statements since taxable income excludes certain items that are taxable or deductible in other years and also excludes items that are never taxable or deductible for tax purposes. In general, deferred income tax is recognized in respect of temporary differences between the accounting and tax bases of assets and liabilities. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred income tax asset is realized or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

(f) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net loss attributable to common shares of the Company by the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

3. Significant Accounting Policies (continued)

(g) Capital stock

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for consideration other than cash are valued at the fair value of assets received or services rendered. If the fair value of assets received or services rendered cannot be reliably measured, shares issued for consideration will be valued at the quoted market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value is transferred from warrant reserve to capital stock. For unexercised warrants that expire, the recorded value is transferred to deficit.

(h) Accounting standards issued and effective January 1, 2019

IFRS 16 *Leases*

A finalized version of IFRS 16 Leases replaces IAS 17 Leases. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. The Company currently does not have any lease agreements in place, so there was no material impact on the financial statements when this standard was adopted on January 1, 2019.

4. Advances

The Company is negotiating a profit-sharing arrangement with Eastside Games Inc. The balance consists of advance payments received from Eastside Games Inc.

5. Share Capital

(a) Authorized share capital

Authorized share capital of the Company consists of an unlimited number of common shares with a par value of $0.00001 per share.

(b) Reconciliation of changes in share capital

For the period from incorporation on October 10, 2018 to December 31, 2018, the Company had the following transactions:

(i) On October 10, 2018, the Company issued 1,000,000 common shares at a price of $0.00001 per common share for gross proceeds of $10. There were no share issuance costs in connection with this transaction.

(ii) On December 18, 2018, the Company issued 100,000,000 common shares at a price of $0.00001 per common share for gross proceeds of $1,000. An additional 4,200,000 shares were issued on December 20, 2018 at a price of $0.01 per share for gross proceeds of $42,000. Share issuance costs of $2,842 were incurred in relation to these transactions.

(Presented in Canadian dollars)

5. Share Capital (continued)

For the year ended December 31, 2019, the Company had the following transactions:

(i) On January 9, 2019, the Company issued 1,000,000 common shares as a price of $0.01 per common share for gross proceeds of $10,000. An additional 4,000,000 shares were issued on January 22, 2019 at a price of $0.01 per common share for gross proceeds of $40,000.

(ii) On February 6, 2019, the Company issued 17,125,000 common shares at a price of $0.08 per common share for gross proceeds of $1,370,000. An additional 375,000 shares were issued on February 26, 2019 at a price of $0.08 per common share for gross proceeds of $30,000, and 2,062,500 shares were issued on April 8, 2019 at a price of $0.08 per common share for gross proceeds of $165,000.

(iii) Share issuance costs of $66,845 were incurred in relation to the above transactions.

6. Financial Instruments

Categories of financial assets and financial liabilities

Financial instruments are classified into one of the following three categories: fair value through profit or loss (“FVTPL”); fair value through other comprehensive income ("FVOCI"); and amortized cost. The carrying values of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	December 31, 2019 $	December 31, 2018 $
Cash	FVTPL	32,598	-
Due from director	Amortized cost	-	1,010
Advance payment	Amortized cost	1,250,000	-
Accounts payable and accrued liabilities	Amortized cost	108,947	8,139

Fair value

IFRS 13 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The carrying values of due from director, advance payment and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company’s fair value of cash under fair value hierarchy are measured using Level 1 inputs.

6. Financial Instruments (continued)

The Company is developing a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from financial instruments include interest rate risk, credit risk, liquidity risk, and market (other price) risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

The Company's primary exposure to financial instrument related risks are as noted below:

i. Interest rate risk

The Company is subject to interest risk through its bank deposits and short-term investments. The Company's sensitivity to cash flow changes as a result of interest rate changes is minimal due to the short-term duration of the invested assets.

ii. Credit risk exposure

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in the event of non-performance by counterparties in connection with its cash, advance payment and receivables. The Company may not always obtain collateral to support financial assets but mitigates this risk by dealing only with counterparties that management believes to be financially sound and, accordingly, does not anticipate significant losses from non-performance. The Company holds cash with financial institutions that are believed to be credit worthy, and receivables are from an agency of the Government of Canada for goods and services input tax credits. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company's exposure to credit risk is considered minimal.

(Presented in Canadian dollars)

6. Financial Instruments (continued)

iii. Liquidity risk

The Company's exposure to liquidity risk is dependent on the receipt of funds from its related sources as operational costs and debt payments come due. Management monitors the Company's cash requirements closely and will seek related party loans or alternative sources of financing to meet minimum capital requirements and financial commitments as they come due.

	Contractual Maturity Analysis at December 31, 2019				
	Less than 3 months	**3-12 months**	**1-5 years**	**Over 5 years**	**Total $**
Cash	32,598	-	-	-	32,598
Advance payment	-	1,250,000	-	-	1,250,000
Accounts payable and accrued liabilities	(108,947)	-	-	-	(108,947)

	Contractual Maturity Analysis at December 31, 2018				
	Less than 3 months	**3-12 months**	**1-5 years**	**Over 5 years**	**Total $**
Due from director	-	1,010	-	-	1,010
Accounts payable and accrued liabilities	(8,139)	-	-	-	(8,139)

7. Income Taxes

The Company’s income tax expense differs from the amount that would be computed by applying the combined Canadian federal and provincial statutory income tax rate as a result of the following:

	2019	**2018**
Statutory rates	27%	27%
Income taxes (recovery) at substantively enacted rates	$ (127,360)	$ (12,770)
Share issue cost deduction	(3,760)	(450)
Loss carryforwards available	131,120	13,220
Income tax provision (recovery)	$ -	$ -

(Presented in Canadian dollars)

7. Income Taxes (continued)

The following table details the components of the Company's deferred income tax assets and liabilities as at December 31, 2019, and December 31, 2018:

	2019	2018
Deferred income tax assets and (liabilities):		
Available non-capital loss carryforwards	$ 142,930	$ 11,800
Share issue costs	14,900	600
Valuation allowance	(157,830)	(12,400)
Net deferred income tax asset	$ -	$ -

As at December 31, 2019, the Company had $529,350 (December 31, 2018 – $43,701) of unused non-capital losses for which no benefit has been recognized in these financial statements. These non-capital losses begin to expire in 2029.

8. Related Party Disclosures

Transactions with key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that its key management personnel consists of the President and Director.

During the year ended December 31, 2019, the Company paid $120,000 (December 31, 2018 - $17,500) of consulting fees to a corporation controlled by the Director. As at December 31, 2019, $Nil (December 31, 2018 - $5,250) remained payable to a corporation controlled by the Director and is included in accounts payable and accrued liabilities.

As at December 31, 2019, the Company had a balance of $Nil (December 31, 2018 - $1,010) due to the Director. The amount is non-interest bearing, has no repayment terms and is unsecured.

During the period from incorporation on October 10, 2018 to December 31, 2018, the Company issued 6,000,000 common shares to the Director and a corporation controlled by the Director for total proceeds of $60.

9. Capital Management

The Company considers its capital to be comprised of shareholders' equity and advances.

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition of a new business venture and to safeguard its ability to continue as a going concern. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds on acceptable terms in the future. There were no changes to the Company's approach to capital management during the year ended December 31, 2019 and period ended December 31, 2018. The Company is not subject to externally imposed capital requirements.

10. Event After the Reporting Period

Since December 31, 2019, the spread of a disease caused by a strain of a novel coronavirus ("COVID-19") has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.