TREVISO Capital Corp.

Financial Statements

For the period from incorporation on April 12, 2021 to December 31, 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Treviso Capital Corp.

Opinion

We have audited the accompanying financial statements of Treviso Capital Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period from incorporation on April 12, 2021 to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the period from incorporation on April 12, 2021 to December 31, 2021 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 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.

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 Glenn Parchomchuk.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

March 18, 2022

TREVISO Capital Corp.

Statement of Financial Position

(Expressed in Canadian Dollars)

		As at December 31, 2021
Assets		
Current		
Cash	$	580,101
Total assets	$	580,101
Liabilities		
Current		
Accounts payable and accrued liabilities	$	58,597
Total liabilities		58,597
Shareholders' equity		
Share capital (note 4)		524,573
Contributed surplus (note 4)		108,953
Deficit		(112,022)
Total shareholders' equity		521,504
Total liabilities and shareholders' equity	$	580,101

Approved on behalf of the Board of Directors:

(Signed) "R. Timothy Henneberry"	*(Signed) "Alexander Helmel"*
R. Timothy Henneberry	Alexander Helmel

The accompanying notes are an integral part of these financial statements

TREVISO Capital Corp.

Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

		For the period from incorporation on April 12, 2021 to December 31, 2021
Operating expenses		
Office	$	257
Filing fees		19,767
Professional fees (note 7)		20,393
Share based compensation (note 4)		71,605
Net loss and comprehensive loss for the period	$	(112,022)
Basic and diluted loss per share	$	-
Weighted average number of common shares outstanding – basic and diluted (note 4)		3,509,589

The accompanying notes are an integral part of these financial statements

TREVISO Capital Corp

Statement of Changes in Shareholders' Equity
For the Period from Incorporation on April 12, 2021 to December 31, 2021
(Expressed in Canadian Dollars)

	Number of Outstanding Shares	Share Capital	Reserve	Deficit	Total Shareholders' Equity
Balance, April 12, 2021 (incorporation)	1	$ -	$ -	$ -	$ -
Share subscriptions	3,999,999	200,000	-	-	200,000
Share subscriptions - IPO (note 4)	5,000,000	500,000	-	-	500,000
Share issue cost (broker warrants) (note 4)	-	(37,348)	37,348	-	-
Share issue cost cash (note 4)	-	(138,079)	-	-	(138,079)
Share-based compensation (note 4)	-	-	71,605	-	71,605
Net loss for the period	-	-	-	(112,022)	(112,022)
Balance, December 31, 2021	**9,000,000**	**$ 524,573**	**$ 108,953**	**$ (112,022)**	**$ 521,504**

The accompanying notes are an integral part of these financial statements

TREVISO Capital Corp.

Statement of Cash Flows

For the Period from Incorporation on April 12, 2021 to December 31, 2021

(Expressed in Canadian Dollars)

		For the period from incorporation on April 12, 2021 to December 31, 2021
Cash provided by (used in)		
Operating activities		
Net loss for the period	$	(112,022)
Items not affecting cash		
Share-based compensation (note 4)		71,605
Changes in non-cash working capital items		
Accounts payable and accrued liabilities		8,018
		(32,399)
Financing activities		
Share subscriptions net of issue costs (note 4)		612,500
		612,500
Change in cash during the period		580,101
Cash, beginning of period		-
Cash, end of period	**$**	**580,101**
Non-cash financing activities		
Fair value of broker warrants issued with IPO (note 4)	$	37,348
Share issuance costs included in accounts payable	$	50,579

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

TREVISO Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on April 12, 2021 and is a Capital Pool Company as defined in Policy 2.4 (the "Policy") of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction (as such term is defined by the policies of the Exchange) ("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. As at December 31, 2021, the Company has no business operations and did not enter into any agreements to acquire an interest in businesses or assets. The registered office of the Company is located at Suite 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company 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 Company has not generated revenues from operations. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a QT. There is no assurance that the Company will be able to identify and complete a QT or that it will be able to secure the necessary additional financing to complete a QT. If a QT is not completed, the Company will need to identify other sources of financing to remain as a going concern. During the period ended December 31, 2021, the Company had cash of $580,101 which the Company's management believes is sufficient to pay $58,597 in accounts payable and accrued liabilities then outstanding and for its projected operating costs for the next 12 months.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

Since March 2020, the coronavirus pandemic ("COVID-19") has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, unforeseen changes or uncertain future developments with respect to and resulting from COVID-19 may have an adverse effect on the Company's financial position, results of operations and cash flows in future periods. In particular, there may be an impact on the Company's ability to identify and complete a QT.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements have been 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").

These financial statements were approved by the Board of Directors on March 18, 2022.

Basis of Presentation

These financial statements are presented in Canadian dollars, which is the Company's functional currency. These financial statements have been prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

The Company classifies its financial instruments in the following categories: at FVTPL, at fair value through other comprehensive income (loss) ("FVOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss). 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 the Company has opted to measure them at FVTPL.

Financial liabilities at FVTPL - A financial liability measured at FVTPL is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through other comprehensive income ("FVTOCI") - FVTOCI assets are those assets which are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets give rise on specified dates to cash flows solely through the collection of principal and interest. A financial asset measured at fair value through other comprehensive income is recognized initially at fair value less transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

At present, the Company's cash is measured as FVTPL and its accounts payable and accrued liabilities are measured at amortized cost.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset that 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. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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 profit or loss.

Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Share Issuance Costs

Share issuance costs relate to expenditures incurred in connection with the Company's share issuances and are charged against 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 profit or loss if the shares are not issued.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Significant estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could have a material impact on future results of the Company’s financial statements.

The Company’s significant accounting judgments and estimates have been applied in these financial statements:

<u>Judgments</u>

Going Concern

Management assesses the Company’s ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

<u>Estimates</u>

Deferred income taxes

The Company recognizes a deferred tax asset to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

4. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value

Issued and fully paid:

On April 12, 2021, the Company issued 1 common share at $0.05 per share for total proceeds of $0.05.

On April 15, 2021, the Company issued 1,999,999 common shares at $0.05 per share for total proceeds of $99,999.95.

On May 27, 2021, the Company issued 2,000,000 common shares at $0.05 per share for total proceeds of $100,000.

On October 27, 2021, the Company completed its IPO, raising gross proceeds of $500,000 pursuant to its prospectus dated September 9, 2021. An aggregate of 5,000,000 common shares in the capital of the Company (the "Shares") were issued at a price of $0.10 per Share. Canaccord Genuity Corp. (the "Agent") acted as the agent. Pursuant to an agency agreement between the Company and the Agent, the Agent received a cash commission equal to 10% of the gross proceeds of the IPO and compensation warrants entitling the Agent to purchase up to 500,000 Shares at a price of $0.10 per Share until October 27, 2026. The fair value of the Agent's compensation warrants was $37,348 calculated using the Black-Sholes option pricing model based on the following assumptions: risk free interest rate of 1.62%, expected life of 5 years, no annual dividends, expected volatility of 100%, and a forfeiture rate of 0%. The Company incurred an additional $50,579 in legal fees and $87,500 in share issuance costs in relation to the IPO which were recorded as share issue costs.

Escrow

All common shares: (a) issued at a price below the price of the common shares issued in the IPO; and (b) all shares acquired from treasury after the IPO but before the date of the Final QT Exchange Bulletin (as defined in the Policy) which are, directly or indirectly, beneficially owned or controlled by Non-Arm's Length Parties (as defined in the Policy) to the Company, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be escrowed.

As at December 31, 2021, 4,000,000 common shares in the capital of the Company were held in escrow.

Warrants

The Company's warrant continuity schedule is as follows:

(Expressed in Canadian Dollars)

	Number of warrants	Weighted average exercise price ($)
Balance, April 12, 2021	-	-
Issued	500,000	0.10
Balance, December 31, 2021	**500,000**	**0.10**

Warrants outstanding as at December 31, 2021 are as follows:

Number of warrants outstanding	Exercise price ($)	Expiry date
500,000	0.10	October 27, 2026
500,000		

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and consultants of the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant.

On October 27, 2021, the Company granted 800,000 stock options to its directors and officers which are exercisable within ten years from the date of the grant at an exercise price of $0.10 per share. The estimated fair value of the stock options was $71,605 calculated using the Black-Scholes option pricing model based on the following assumptions: risk free interest rate of 1.62%, expected life of 10 years, no annual dividends, expected volatility of 100%, and a forfeiture rate of 0%.

The Company's stock option continuity schedule is as follows:

	Number of options	Weighted average exercise price ($)
Balance, April 12, 2021	-	-
Issued	800,000	0.10
Balance, December 31, 2021	**800,000**	**0.10**

Options outstanding and exercisable as at December 31, 2021 are as follows:

Number of options outstanding	Exercise price ($)	Expiry date	Exercisable as at December 31, 2021
800,000	0.10	October 27, 2031	-
800,000			-

5. CAPITAL MANAGEMENT OBJECTIVE AND POLICIES

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

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 of a limit of $3,000 per month may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a QT.

6. FINANCIAL INSTRUMENTS

Fair Values

At December 31, 2021, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair values of these financial instrument approximates their carrying value due to the relatively short-term maturity of the instrument which is payable within one year.

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash is a level 1 financial instrument measured at fair value on the statement of financial position.

The risk exposure arising from these financial instruments is summarized as follows:

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution. As of December 31, 2021, the Company's exposure to credit risk is minimal.

(Expressed in Canadian Dollars)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Company's liabilities. The $58,597 of accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

7. RELATED PARTY TRANSACTIONS

There was no remuneration paid to key management personnel during the period from incorporation on April 12, 2021 to December 31, 2021.

During the period from incorporation on April 12, 2021 to December 31, 2021, the Company incurred legal fees in the amount of $53,597 for services provided by a law firm whose principal is a director of the Company of which $50,579 is included in share issue costs.

Included in accounts payable and accrued liabilities at December 31, 2021 was $53,597 owing for these services.

Share-based compensation of $71,605 was recorded by the Company in connection with the granting of stock options on October 27, 2021.

8. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes at a statutory rate of 27% and the Company's effective income tax expense is as follows:

		2021
Net loss for the period	$	112,022
Expected income tax recovery		(30,000)
Deferred tax assets not recognized		30,000
Income taxes recovery	$	-

At December 31, 2021, the Company has non–capital losses for income tax purposes of $112,022 which can be carried forward to be applied against future taxable income. These losses expire in 2041 to the extent unutilized against future taxable income.

The Company has not recorded deferred tax assets related to these unused carry forward losses as it is not probable that future taxable profits will be available against which these can be deducted.