Grosvenor CPC I Inc.

(A Capital Pool Company)

Financial Statements

For the Period from the Date of Incorporation (May 26, 2021) to April 30, 2022

(In Canadian Dollars)

Grosvenor CPC I Inc.
Contents
For the Period from the Date of Incorporation (May 26, 2021) to April 30, 2022

To the Shareholders of Grosvenor CPC I Inc.:

Opinion

We have audited the financial statements of Grosvenor CPC I Inc. (the "Corporation"), which comprise the statement of financial position as at April 30, 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from May 26, 2021 (date of incorporation) to April 30, 2022, 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 Corporation as at April 30, 2022, and its financial performance and its cash flows for the period from May 26, 2021 (date of incorporation) to April 30, 2022 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 Corporation 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Corporation incurred a net loss during the period ended April 30, 2022 and, as of that date, the Corporation had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Corporation’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. The other information comprises 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 on this other information, 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 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 Corporation 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 Melanie Wiseblatt.

Montréal, Québec

August 11, 2022

MNP LLP [1]

[1] CPA auditor, public accountancy permit no. A135863

Grosvenor CPC I Inc.
Statement of Financial Position
As at April 30, 2022
(in Canadian Dollars)

		2022
Assets		
Current assets		
Cash	$	**1,535,830**
Total Assets	$	**1,535,830**
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	$	**74,882**
Total Liabilities	$	**74,882**
Shareholders' Equity		
Share capital, net of share issuance costs (Note 4)		**1,545,565**
Contributed Surplus (Note 4)		**149,336**
Accumulated Deficit		**(233,953)**
Total Equity		**1,460,948**
Total Liabilities and Equity	$	**1,535,830**

Incorporation and nature of operations (Note 1)

Approved on behalf of the Board

[signed] "Philippe Marleau"
Director

[signed] " Guillaume Poulin"
Director

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

Grosvenor CPC I Inc.
Statement of Loss and Comprehensive Loss
For the Period from the Date of Incorporation (May 26, 2021) to April 30, 2022
(in Canadian Dollars)

		2022
Expenses		
Stock-based compensation (Note 4 and 6)	**$**	**103,873**
Professional fees		**108,205**
Administration fees and other		**21,875**
Net loss and comprehensive loss for the period	**$**	**(233,953)**
Net loss per share – basic and diluted	**$**	**(0.02)**
Weighted average number of common shares		**15,549,645**

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

Grosvenor CPC I Inc.
Statement of Changes in Cash Flows
For the Period from the Date of Incorporation (May 26, 2021) to April 30, 2022
(in Canadian Dollars)

		2022
Cash provided by (used in) the following activities		
Operating		
Net loss	**$**	**(233,953)**
Adjusted for the following non-cash items:		
Stock-based compensation		**103,873**
Net change in working capital accounts		
Trade payables and accrued liabilities		**74,882**
Cash used in operating activities		**(55,198)**
Financing		
Proceeds from shares issued, net of cash share issuance costs		**1,591,028**
Cash provided by financing activities		**1,591,028**
Net change in cash		**1,535,830**
Cash, end of period	**$**	**1,535,830**

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

Grosvenor CPC I Inc.
Statement of Changes in Shareholders' Equity
For the Period from the Date of Incorporation (May 26, 2021) to April 30, 2022
(in Canadian Dollars)

	Number of Shares		Share Capital		Contributed Surplus		Accumulated Deficit		Shareholders' Equity
Balance, May 26, 2021 (date of incorporation)	-		-		-		-		-
Common shares issued (Note 4)	26,426,400	$	1,752,640	$	-	$	-	$	1,752,640
Share issuance costs	-		(207,075)		-		-		(207,075)
Stock-based compensation	-		-		149,336		-		149,336
Net loss and comprehensive loss	-		-		-		(233,953)		(233,953)
Balance, April 30, 2022	**26,426,400**	**$**	1,545,565	**$**	149,336	**$**	**(233,953)**	**$**	**1,460,948**

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

1. INCORPORATION AND NATURE OF OPERATIONS

Grosvenor CPC I Inc. (the "Corporation") was incorporated under the Canada Business Corporations Act on May 26, 2021 and is classified as a Capital Pool Company as defined in Policy 2.4 (the “Policy” of the TSX Venture Exchange (the “Exchange”) Corporate Finance Manual (the “Manual”). The head office and registered office of the Corporation is located at 1 Place Ville-Marie Suite 1670, Montréal, Québec, H3B 2B6. The Common Shares trade on the Exchange under the symbol “GRVA.P”.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") as defined in the Policy. The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

On August 11, 2022, the Board of Directors approved the financial statements for the period from the date of incorporation (May 26, 2021) to April 30, 2022.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Going Concern

The financial statements of the Corporation have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As at April 30, 2022, the Corporation has a deficit of $233,953 and for the period ended incurred a loss and negative cash flows from operations of $233,953 and $55,198 respectively. The success of the Corporation is dependent on the ability to identify and evaluate potential assets or businesses and, once identified, negotiate and acquire such assets or businesses. The Corporation may require additional financing to continue to pursue its identification and acquisition activities for at least the next 12 months from the reporting period. There is no assurance that the Corporation will be able to complete a QT or raise any necessary financing. These factors indicate the existence of a material uncertainty that may cast doubt as to the Corporation’s ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements are prepared by the Corporation 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”) in effect at the closing date of April 30, 2022. The accounting policies applied in these financial statements are presented in Note 3.

Basis of Measurement

These financial statements have been prepared under the assumption that the Corporation operates as a going concern and have been prepared on an accrual basis and under historical cost except for certain financial instruments measured at fair value through profit or loss (“FVTPL”). Furthermore, these financial statements are presented in Canadian dollars (“CAD”) which is the functional currency of the Corporation.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements at April 30, 2022 have been prepared in accordance with the following accounting policies.

Cash

Cash is comprised of cash held with a Canadian chartered bank and funds held in trust.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Corporation has implemented the following classifications:

Cash is classified as assets at fair value and any period change in fair value is recorded in profit or loss.

Trade payables and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

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 or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

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 in the statement of financial position.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the 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. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

Basic loss per share is computed by dividing the net loss attributable to common shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options (if dilutive).

Diluted loss per share for the period ended April 30, 2022 is equal to basic loss per share as the options are anti-dilutive.

Share-Based Compensation

The Corporation uses the fair value method to record stock options. The fair value of all stock options is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of stock options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Corporation uses the Black-Scholes option pricing model to calculate the fair value of stock options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, do not necessarily provide a reliable single measure of the fair value of the Corporation’s stock options.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of the assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The Corporation has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In particular, the Corporation has identified the following areas where significant judgments, estimates, and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements.

Significant management judgments

The following are significant management judgments in applying the accounting policies of the Corporation and have the most significant effect on the financial statements.

- Going concern

  The assessment of the Corporation's ability to continue as a going concern and to maintain adequate capital or raise additional funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund identification, evaluation and completing a Qualifying Transaction, involves significant judgments based on expectation of future events that are believed to be reasonable under the circumstances.

- Taxes

  The Corporation recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Corporation's deductible temporary differences which are based on management's judgement on the degree of future taxable profits.

- Financial instruments

  The Corporation is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Corporation based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Corporation. Such changes are reflected in the assumptions when they occur.

- Share-based payments

  Share-based payments to directors and officers are measured at the fair value of the equity instruments at the grant date. Determining the fair value of such stock-based awards requires judgment as to the appropriate valuation model and the inputs for the model require assumptions including the rate of forfeiture of options granted, the expected life of the option, the expected volatility of the Corporation's share price, the risk-free interest rate and expected dividends.

(in Canadian Dollars)

4. SHARE CAPITAL

Authorized

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Issued and outstanding

	Number of Common Shares	Amount
		$
Opening Balance, May 26, 2021	**-**	**-**
Share issuance – founder shares	3,000,000	150,000
Share issuance	16,900,000	950,000
Initial public offering	6,526,400	652,640
Share issuance costs	-	(161,611)
Agent compensation options	-	(45,464)
Ending Balance, April 30, 2022	**26,426,400**	**1,545,565**

Common share issuances

On June 25, 2021, the Corporation issued 3,000,000 common shares (“Common Shares”) at $0.05 per share for gross proceeds of $150,000.

On August 31, 2021, the Corporation completed two financing rounds and issued 14,800,000 Common Shares at $0.05 per share for gross proceeds of $740,000 and 2,100,000 Common Shares at $0.10 per share for gross proceeds of $210,000.

Share issuance costs of $6,000 were associated with these subscriptions.

Initial Public Offering

On March 22, 2022, the Corporation completed its Initial Public Offering (“IPO”). The IPO offered 6,526,400 Common Shares at a price of $0.10 per Common Share for gross proceeds of $652,640. The Corporation incurred $155,611 in cash share issuance costs associated with legal and underwriting fees and the original fair value estimated on grant of the agent compensation options totaled $45,464.

Escrowed Shares

All Common Shares: (a) issued at a price below the price of the Common Shares issued in the Corporation’s 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 Corporation, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

As of April 30, 2022, an aggregate of 17,800,000 Common Shares were held in escrow pursuant to the requirements of the Exchange.

(in Canadian Dollars)

4. SHARE CAPITAL (continued)

Stock Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire, following completion of the IPO, a maximum of 10% of the issued and outstanding Common Shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board of Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation (other than in connection with the completion of the QT – in which case the later of (a) 1 year from completion of the QT; and (b) 90 days after the termination or employment or holding officer as director or officer of the Corporation) and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any options granted, and any shares issued upon exercise of options, prior to the Corporation's completion of a QT will be subject to escrow restrictions. In addition to the foregoing, any options with an exercise price less than the offering price per Common Share in the IPO will be subject to the same escrow release schedule as the Common Shares issued for a price less than the offering price per Common Share in the IPO.

The following table reflects the continuity of stock options:

	Number of Stock Options	Weighted Average Exercise Price ($)
Outstanding, May 26, 2021	-	-
Granted to directors and officers (i)	2,490,000	$0.05
Granted to directors and officers (ii)	152,640	$0.10
Granted to agent (iii)	652,640	$0.10
Outstanding, April 30, 2022	**3,295,280**	**$0.06**
Exercisable, April 30, 2022	**3,295,280**	**$0.06**

(in Canadian Dollars)

4. SHARE CAPITAL (continued)

i. On June 25, 2021, the Corporation granted 2,490,000 stock options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of $0.05 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 0.89%, expected volatility of 100% and an expected life of five years. The value attributed to these options was $92,412.

ii. On March 22, 2022, the Corporation granted 152,640 stock options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of $0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 2.23%, expected volatility of 100% and an expected life of five years. The value attributed to these options was $11,461.

iii. On March 22, 2022, the Corporation granted 652,640 stock options to the consultant Leede Jones Gable as compensation, which are exercisable within four years from the date of grant at an exercise price of $0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 2.23%, expected volatility of 100% and an expected life of four years. The value attributed to these options was $45,464.

The following table reflects the actual stock options issued and outstanding as of April 30, 2022:

Expiry Date	Exercise Price	Remaining Contractual Life (Years)	Number of Stock Options Outstanding	Number of Stock Options Vested (Exercisable)
June 25, 2026	$0.05	4.16	2,490,000	2,490,000
March 22, 2026	$0.10	3.90	652,640	652,640
March 22, 2027	$0.10	4.90	152,640	152,640
Balance, April 30, 2022			**3,295,280**	**3,295,280**

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation'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 Corporation includes equity, comprised of share capital and accumulated deficit in the definition of capital.

The Corporation'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 Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

(in Canadian Dollars)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash and trade payables and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments.

6. RELATED PARTY TRANSACTIONS

The Corporation incurred stock-based compensation expense related to directors and officers valued at $103,873 during the period ended April 30, 2022.

7. INCOME TAXES

The recovery of income taxes attributable to the loss before taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.5% as a result of the following:

	2022
Loss before income taxes	**(233,953)**
Income tax recovery using statutory tax rates	**(61,998)**
Non-deductible expenses	**27,526**
Share issue costs and other	**(54,875)**
Tax benefits not recognized	**89,347**
	-

Unrecognized deductible temporary differences consist of the following:

	2022
Non-capital losses carried-forward	168,545
Share issue costs	168,610
	337,155

At April 30, 2022, the Corporation had non-capital loss carry forwards available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

	Amount ($)
2042	168,545
	168,545