ISRAEL CAPITAL CANADA CORP.

Condensed Interim Financial Statements

For the three and nine months ended July 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

ISRAEL CAPITAL CANADA CORP.

Index

ISRAEL CAPITAL CANADA CORP.

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditors.

September 28, 2020

ISRAEL CAPITAL CANADA CORP.

Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars - Unaudited)

	Notes		**July 31,2020**		**October 31, 2019**
			(Unaudited)		(Audited)
ASSETS					
Current assets					
Cash held in trust		**$**	**445,667**	$	100,000
Total assets		**$**	**445,667**	$	100,000
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trades payable and accrued liabilities	4	**$**	**2,202**	$	5,383
Due to related party	6		**1,575**		-
Total liabilities			**3,777**		5,383
Shareholders' equity					
Share capital	5		**482,927**		100,000
Reserves			**51,803**		-
Deficit			**(92,840)**		(5,383)
Total shareholders' equity			**441,890**		94,617
Total liabilities and shareholders' equity		**$**	**445,667**	$	100,000

Nature and continuance of operations (Note 1)

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

ISRAEL CAPITAL CANADA CORP.

Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

		Three months ended July 31, 2020		Nine months ended July 31, 2020
EXPENSES:				
Bank charges	$	**86**	$	**115**
Office and administration		**3,723**		**3,723**
Professional fees (recovery)		**(16,309)**		**13,596**
Regulatory fees		**119**		**24,741**
Stock-based compensation		**41,384**		**41,384**
Transfer agent fees		**3,898**		**3,898**
Loss and comprehensive loss for the period	$	**(32,901)**	$	**(87,457)**
Net loss per share – Basic and Diluted	$	**(0.01)**	$	**(0.11)**
Weighted average shares outstanding – Basic and Diluted		**2,378,235**		**801,457**

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

ISRAEL CAPITAL CANADA CORP.

Condensed Interim Statement of Changes in Equity
(Expressed in Canadian dollars - Unaudited)

		Share Capital				
	Note	**Shares**	**Amount**	**Reserves**	**Deficit**	**Total Equity**
Balance at August 15, 2019		-	$ -	$ -	$ -	$ -
Issuance of incorporation share		1	1	-	-	1
Cancellation of incorporation share		(1)	(1)	-	-	(1)
Issuance of shares for cash	5	2,000,000	100,000	-	-	100,000
Net loss for the period		-	-	-	(5,383)	(5,383)
Balance at October 31, 2019		**2,000,000**	**100,000**	-	**(5,383)**	**94,617**
Issuance of shares for cash	5	2,000,000	100,000	-	-	100,000
Initial Public Offering ("IPO")	5	2,000,000	200,000	-	-	200,000
Shares issued for Private Placement	5	1,181,341	177,200	-	-	177,200
Share issuance costs	5	-	(83,854)	-	-	(83,854)
Fair value of agent's warrants	5	-	(10,419)	10,419	-	-
Stock-based compensation	5	-	-	41,384	-	41,384
Net loss for the period		-	-	-	(87,457)	(87,457)
Balance at July 31, 2020		**7,181,341**	**$ 482,927**	**$ 51,803**	**$ (92,840)**	**$ 441,890**

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

ISRAEL CAPITAL CANADA CORP.

Condensed Interim Statement of Cash Flows
(Expressed in Canadian dollars - Unaudited)

		Nine months ended July 31, 2020
CASH FLOWS PROVIDED BY (USED IN) :		
OPERATING ACTIVITIES		
Net loss for the period	$	**(87,457)**
Stock-based compensation		**41,384**
Changes in non-cash working capital items:		
Trades payable and accrued liabilities		**(3,181)**
Due to related party		**1,575**
Net cash used in operating activities		**(47,679)**
FINANCING ACTIVITIES		
Issuance of common shares, net		**393,346**
Net cash provided by financing activities		**393,346**
Change in cash during the period		**345,667**
Cash, beginning of period		**100,000**
Cash, end of period	$	**445,667**

Non-cash investing and financing activities:

Except for transactions disclosed elsewhere in the financial statements, there were no non-cash investing or financing activities during the period from November 1, 2019 to July 31, 2020.

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

1. NATURE OF BUSINESS AND GOING CONCERN

Israel Capital Canada Corp. (the "Company") was incorporated on August 15, 2019 under the Business Corporations Act (British Columbia). The Company is a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4 ("Policy 2.4") after completing its initial public offering on May 8, 2020. As a CPC, the Company's objective will be to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V ("Qualifying Transaction"). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. Additional discussion on these restrictions is included in Note 8.

On May 8, 2020, the Company completed its Initial Public Offering ("IPO") on the TSX-V by raising $200,000 through the issuance of 2,000,000 common shares of the Company at $0.10 per share. The Company's common shares were approved for listing on the TSX-V on May 8, 2020 and commenced trading effective May 12, 2020 under the symbol "IL.P". (Note 9)

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.

The Company's registered office address is Suite 700, 838 West Hastings Street, Vancouver, BC, Canada, V6C 0A6.

These unaudited interim financial statements for the nine month period ended July 31, 2020 were authorized for issue by the Board of Directors on September 28, 2020.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company has not generated any revenues. The Company's continuing operations as intended are dependent upon the Company's ability to complete a QT as discussed above. Should the Company fail to complete a Qualifying Transaction, its ability to raise sufficient financing to maintain operations may be impaired, and accordingly, the Company may be unable to realize the carrying value of its net assets.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International

2. BASIS OF PRESENTATION (cont'd)

Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the Company's audited financial statements for the period from incorporation on August 15, 2019 to October 31, 2019.

Basis of measurement

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Comparative information

As the Company was recently formed and incorporated, there are no comparative balances to report.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

The Company 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 assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Financial instruments *(cont'd)*

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).

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. The fair value of cash is measured at fair value through profit or loss and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. The Company's accounts payable and accrued liabilities are measured at amortized cost using the effective interest rate method. Interest expense is recorded to profit or loss, as applicable.

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

Impairment of financial assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's sole financial asset is cash and, accordingly, does not hold any financial assets measured at amortized cost.

Financing costs
Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Share-based compensation

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Income taxes (cont'd)

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which excludes shares held in escrow. All escrow shares are considered contingently cancellable until the Company completes a Qualifying Transaction and, accordingly, are not considered to be outstanding shares for the purposes of the loss per share calculation.

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, 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.

Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

i) *Income taxes*

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

(Expressed in Canadian Dollars - Unaudited)

4. TRADES PAYABLE AND ACCRUED LIABILITIES

		July 31, 2020		October 31, 2019
Trades payable	$	2,202	$	-
Accrued liabilities		-		5,383
	$	2,202	$	5,383

5. SHAREHOLDERS' EQUITY

a. Authorized

The Company is authorized to issue an unlimited number of common shares and preferred shares without par value.

b. Issued and outstanding

During the nine months ended July 31, 2020, the Company:

i) issued 2,000,000 common shares at a price of $0.05 per share for gross proceeds of $100,000 completing the issuance of the Seed Shares of the Company;

ii) completed its IPO and issued 2,000,000 common shares at a price of $0.10 per share for gross proceeds of $200,000. On November 28, 2019, the Company entered into an agreement with Canaccord Genuity Corp. ("Canaccord") who acted as the Company's agent for the IPO. Pursuant to the agreement, the Company paid Canaccord a cash commission of $20,000 or 10% of gross proceeds of the IPO, and granted the Agent an aggregate of 200,000 options (the "Agent's Warrants") exercisable at a price of $0.10 for a 24-month period from the date the Company's common shares were listed on the TSX-V (note 5(d)). The Company recorded $10,419 in share issuance costs as fair value of the Agents' Warrants granted. The Company also paid an administration fee of $15,000, and reimbursed legal and out-of-pocket expenses totaling $17,300 to Canaccord. The Company paid $22,400 in other share issuance costs in connection to the IPO; and

iii) completed a non-brokered private placement of 1,181,341 common shares at a price of $0.15 per share for gross proceeds of $177,200. The Company paid $9,102 in share issuance costs in connection to this private placement. No finder's fees were paid.

During the period from incorporation on August 15, 2019 to October 31, 2019, the Company issued:

iv) 1 common share for $1.00 upon incorporation. The Company subsequently repurchased this share for the same amount and cancelled the common share; and

v) 2,000,000 common shares at a price of $0.05 per share for gross proceeds of $100,000 (the "Seed Shares")

c. Escrow shares

Upon completion of the IPO and pursuant to an escrow agreement dated March 6, 2020, 4,000,000 common shares issued to directors and officers of the Company prior to the IPO were placed into an escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow on the date of the issuance of the final Exchange bulletin (the "Initial Release") upon completion of a QT, and an additional 15% will be released every six months following the Initial Release over a period of thirty six months. As at July 31, 2020, 4,000,000 common shares remained in escrow. These shares have been excluded from the calculation of loss per share.

(Expressed in Canadian Dollars - Unaudited)

5. SHAREHOLDERS' EQUITY (cont'd)

d. Stock options

On February 25, 2020, the Board of Directors adopted an incentive stock option plan which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with TSX-V regulations, grant to directors, officers, employees or management's company employees, and consultants to the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of closing of its IPO. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

During the nine months ended July 31, 2020, the Company granted:

i) 400,000 stock options to directors of the Company. Each option is exercisable at a price of $0.10 for a period of five years expiring on May 8, 2025; and

ii) charitable stock options to a charity named Funding for Life Society to purchase an aggregate of up to 1% of the issued and outstanding common shares, being 60,000 common shares, exercisable at a price of $0.10 per common share for a period of the earlier of: May 8, 2025 and the 90th day following the date Funding for Life Society ceases to be an Eligible Charitable Organization, as such terms is defined in the TSX-V policies.

As at July 31, 2020, the following stock options were outstanding:

	Expiry Date	Number of Shares	Weighted Average Exercise Price	Weighted average period
Options	May 8, 2025	460,000	$0.10	4.77 years

The Company recorded $41,384 in stock-based compensation expense in connection with the option grant. The fair value of the stock options granted was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Nine months ended July 31,	2020
Risk free rate	0.33%
Dividend yield	–
Weighted average volatility	146.61%
Weighted average expected life	5 years
Weighted average fair value	$ 0.090

e. Agent's warrants

In connection to the Company's IPO, an aggregate of 200,000 non-transferable Agents' Warrants were issued to the Agent involved in the offering. The Agents' Warrants are exercisable at price of $0.10 per share for a period of two years from the date of the listing of the Company's shares on the Exchange. Pursuant to the Exchange Policy 2.4, the Agents agree that only 50% of the common shares obtained by the agents pursuant to the exercise of the Agents' Warrants may be sold prior to the completion of a QT, and the remaining balance may only be sold after completion of the QT.

(Expressed in Canadian Dollars - Unaudited)

5. SHAREHOLDERS' EQUITY (cont'd)

e. Agent's warrants (cont'd)

As at July 31, 2020, the following Agent's Warrants were outstanding:

	Expiry Date	Number of Shares	Weighted Average Exercise Price	Weighted average period
Agents' Warrants	May 8, 2022	200,000	$0.10	1.77 years

The Company recorded $10,419 in the Equity reserves account for the agent's warrants issued.

The fair value of the agent's warrants granted was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Nine months ended July 31,	2020
Risk free rate	0.26%
Dividend yield	–
Weighted average volatility	99.82%
Weighted average expected life	2 years
Weighted average fair value	$ 0.052

6. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers.

On July 1, 2020, the Company entered into an administrative services agreement with Varshney Capital Corp. ("VCC"), a company with a director in common, for administrative services provided to the Company for an initial term of 120 days or until the Company completes a Qualifying Transaction in exchange for a monthly fee of $1,500 plus taxes. Upon completion of a Qualifying Transaction, the monthly fee will increase to $5,000 plus taxes for a six month term with a renewal option for an additional six months at a monthly fee of $7,500 plus taxes and thereafter on an annual basis until otherwise terminated.

During the period ended July 31, 2020, the Company accrued $1,575 for administrative fees to VCC. As at July 31, 2020, $1,575 was due to VCC (October 31, 2019 - $Nil).

During the period ended July 31, 2020, Dr. Keith Pyne, director of the Company, and Stephen Davis, Director, CEO and President of the Company, purchased 500,000 common shares at $0.05 per common shares each resulting in each owning 13.9% of the Company's issued an outstanding common shares. In addition, an independent investor also purchased a total of 1,000,000 common shares at $0.05 per common share resulting in an ownership of 13.9% of the Company's issued and outstanding common shares.

On May 8, 2020, the Company granted an aggregate of 400,000 stock options to the officers and directors of the Company and recognized $35,986 in share-based compensation.

6. RELATED PARTY TRANSACTIONS (cont'd)

During the period from August 15, 2019 (incorporation date) to October 31, 2019, the officers and directors of the Company either directly or indirectly subscribed to a total of 2,000,000 shares at $0.05 per common share being 100% of the issued and outstanding shares on October 31, 2019.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has designated its accounts payable and accrued liabilities as financial liabilities at amortized cost.

a. Fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

i) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
ii) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
iii) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of cash has been measured at fair value using level 1 inputs. Accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

b. Financial risk management

Credit risk
Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company limits exposure to credit risk by maintaining its cash with a major Canadian financial institution.

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's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed. As at July 31, 2020, the Company had cash held in trust of $445,667 (October 31, 2019 - $100,000) which is sufficient to settle its current liabilities of $3,777 (October 31, 2019 - $5,383).

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or for administrative and general expenses. These restrictions apply until completion of the Company's Qualifying Transaction as defined by Exchange Policy 2.4.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

b. Financial risk management (cont'd)

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to significant interest rate risk.

(b) Foreign currency risk
The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

8. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.