ANGUS VENTURES INC.

(A CAPITAL POOL COMPANY)

FINANCIAL STATEMENTS

YEARS ENDED JANUARY 31, 2019 AND 2018

(EXPRESSED IN CANADIAN DOLLARS)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Angus Ventures Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Angus Ventures Inc., which comprise the statements of financial position as at January 31, 2019 and 2018, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended 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 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

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 audits or otherwise appears to be materially misstated. 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 Mr. James D. Gray.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC, Canada
May 30, 2019

Angus Ventures Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at January 31, 2019	As at January 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,597,876**	$ 1,640,613
Total assets	**$ 1,597,876**	$ 1,640,613
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 27,085**	$ 14,457
Total current liabilities	**27,085**	14,457
Non-current liabilities		
Due to related parties (note 8)	**42,848**	2,848
Total liabilities	**69,933**	17,305
Shareholders' equity		
Share capital (note 3)	**1,736,390**	1,736,390
Warrants (note 4)	**5,998**	5,998
Contributed surplus (note 5)	**83,059**	47,878
Accumulated deficit	**(297,504)**	(166,958)
Total shareholders' equity	**1,527,943**	1,623,308
Total liabilities and shareholders' equity	**$ 1,597,876**	$ 1,640,613

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

Nature and continuance of operations (note 1)
Subsequent event (note 11)

Approved on behalf of the Board:
"Patrick Langlois", Director "Dennis Peterson", Director

Angus Ventures Inc.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended January 31, 2019	2018
Operating expenses		
Bank charges	**$ 483**	$ 332
Filing and regulatory fees	**7,280**	31,786
Interest income	**(4,828)**	-
Office and general	**5**	7
Professional fees	**76,741**	63,330
Share-based payments (note 5(i))	**35,181**	47,878
Shareholder information	**9,776**	8,988
Travel expenses	**5,908**	-
Net loss and comprehensive loss for the year	**$ (130,546)**	$ (152,321)
Basic and diluted net loss per share	**$ (0.01)**	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	**18,946,180**	9,055,268

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

Angus Ventures Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of shares	**Amount**	**Warrants**	**Contributed Surplus**	**Accumulated Deficit**	**Total**
Balance, January 31, 2017	**2,000,000**	**$ 100,000**	**$ -**	**$ -**	**$ (14,637)**	**$ 85,363**
Initial Public Offering (note 3(b)(i))	2,000,000	200,000	-	-	-	200,000
Private placement (note 3(b)(i))	14,900,000	1,490,000	-	-	-	1,490,000
Broker warrants (note 3(b)(i))	-	(8,432)	8,432	-	-	-
Share issue costs	-	(52,230)	-	-	-	(52,230)
Exercise of warrants (note 3(b)(ii))	46,180	7,052	(2,434)	-	-	4,618
Share-based payments (note 5(i))	-	-	-	47,878	-	47,878
Net loss for the year	-	-	-	-	(152,321)	(152,321)
Balance, January 31, 2018	**18,946,180**	**1,736,390**	**5,998**	**47,878**	**(166,958)**	**1,623,308**
Share-based payments (note 5(i))	-	-	-	35,181	-	35,181
Net loss for the year	-	-	-	-	(130,546)	(130,546)
Balance, January 31, 2019	**18,946,180**	**$ 1,736,390**	**$ 5,998**	**$ 83,059**	**$ (297,504)**	**$ 1,527,943**

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

Angus Ventures Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended January 31, 2019	2018
Operating activities		
Net loss for the year	**$ (130,546)**	$ (152,321)
Adjustment for:		
Share-based payments (note 5(i))	**35,181**	47,878
Changes in non-cash working capital item:		
Accounts payable and accrued liabilities	**12,628**	2,257
Due to related parties	**40,000**	-
Net cash and cash equivalents used in operating activities	**(42,737)**	(102,186)
Financing activities		
Proceeds from Initial Public Offering (note 3(b)(i))	**-**	200,000
Proceeds from private placement (note 3(b)(i))	**-**	1,490,000
Share issue costs	**-**	(52,230)
Exercise of warrants (note 3(b)(ii))	**-**	4,618
Net cash and cash equivalents provided by financing activities	**-**	1,642,388
Net decrease in cash and cash equivalents	**(42,737)**	1,540,202
Cash and cash equivalents, beginning of year	**1,640,613**	100,411
Cash and cash equivalents, end of year	**$ 1,597,876**	$ 1,640,613

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

1. Nature and continuance of operations

Angus Ventures Inc. ("Angus" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on September 28, 2010. On September 1, 2017, the Company completed its Initial Public Offering and is classified as a Capital Pool Company Canadian Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company's common shares were listed for trading on the TSX-V under the trading symbol "GUS.P" on September 1, 2017 and commenced trading at the open on September 6, 2017. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company's head office, principal address and registered and records office is located at 2080-777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses within 24 months of listing on the TSX-V. Such a transaction will be subject to regulatory approval and may be subject to shareholder approval. Management believes the Company has sufficient working capital to maintain its activities for the upcoming fiscal year.

There is no assurance that the Company will complete a transaction within twenty-four months from the date the Company's shares are listed on the TSX-V, at which time the TSX-V may suspend or de-list the Company's shares from trading.

The financial statements of the Company were approved by the Board of Directors on May 30, 2019.

2. Significant accounting policies

The following is a summary of significant accounting policies used in the preparation of these financial statements.

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of presentation

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future which include the fair value of warrants and stock options using the Black-Scholes option pricing model. 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.

2. Significant accounting policies (continued)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a know amount of cash.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Loss per share

Basic loss per share is computed by dividing net loss available 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 and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Basic and diluted loss per share has not been presented as all of the Company's common shares have been excluded from the weighted average shares calculation because they are contingently returnable.

2. Significant accounting policies (continued)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Share-based compensation

In connection with incentive stock options granted by the Company to its officers, directors, employees and consultants, an expense is recognized over the vesting period based on the estimated fair value of the options on the date of the grant as determined using as option pricing model. The expense is charged to share-based compensation and the offset is credited to contributed surplus. Cash received on exercise of incentive stock options is credited to share capital along with any contributed surplus amounts previously recorded that are applicable to the options exercised.

New accounting standard adopted

The Company has adopted the new IFRS pronouncement as at February 1, 2018 in accordance with the transitional provisions of the standard and as described below. The adoption of this new IFRS pronouncement has not resulted in any adjustments to previously reported figures.

IFRS 9 - Financial Instruments ("IFRS 9")

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss ("FVTPL"), those measured at fair value through other comprehensive income ("FVOCI") and those measured at amortized cost. Investments in equity instruments are required to be measured by default at FVTPL. However, there is an irrevocable option for each equity instrument to present FVOCI. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risks.

The Company does not expect that the changes to IFRS that are effective as at February 1, 2018 had a significant impact on the Company's results of operations or financial position.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Accounting standards and amendments not yet adopted

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended January 31, 2019 and have not been applied in preparing these financial statements. The Company is currently considering the possible effects of the new and revised standards which will be effective to the Company's financial statements for the year ending January 31, 2020 or later:

On January 13, 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"). The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 - Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. As the Company has no material lease contracts that fall under IFRS 16, the adoption of this standard is not expected to result in any material changes in the financial statements.

On June 7, 2017, the IASB issued IFRIC Interpretation 23 - Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The Company does not expect the Interpretation to have a material impact on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

3. Share capital

a) Authorized share capital

At January 31, 2019, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At January 31, 2019, the issued share capital amounted to $1,736,390. The change in issued share capital for the years were as follows:

	Number of Common Shares	Amount
Balance, January 31, 2017	**2,000,000**	**$ 100,000**
Initial Public Offering (i)	2,000,000	200,000
Private placement (i)	14,900,000	1,490,000
Broker warrants (i)	-	(8,432)
Share issue costs	-	(52,230)
Exercise of warrants (ii)	46,180	7,052
Balance, January 31, 2018 and January 31, 2019	**18,946,180**	**$ 1,736,390**

(Expressed in Canadian Dollars)

3. Share capital (continued)

b) Common shares issued (continued)

(i) On September 1, 2017, the Company completed its IPO of 2,000,000 common shares at a price of $0.10 per share pursuant to an amended and restated prospectus dated July 26, 2017 and a concurrent private placement of 14,900,000 common shares (the "Placement") issued at $0.10 per share resulting in aggregate gross proceeds to the Company of $1,690,000.

A cash commission of 8% of the gross proceeds of the offering was paid to the Company's agent, Haywood Securities Inc. ("Haywood"), as well as a corporate finance fee of $8,000 plus applicable taxes. In addition, Haywood received 160,000 non-transferable warrants to acquire up to 160,000 shares at a price of $0.10 per share for a period of 24 months. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.10; expected dividend yield of 0%; risk-free interest rate of 1.34%; volatility of 100% and an expected life of 2 years. The fair value assigned to these warrants was $8,432.

As a result of this issuance, the Company had 18,900,000 shares issued and outstanding, of which 12,300,000 shares have been placed in escrow pursuant to the terms and conditions of policies of the TSX-V. These shares are eligible for release in prescribed amounts over a three period commencing upon completion of a Qualifying Transaction ("QT") over a three year period in accordance with the policies of the TSX-V.

On the same date, Jamie Sokalsky, the Executive Vice-President of the Company, acquired 2,920,000 shares for total consideration of $292,000 ($0.10 per share) under the Placement and 40,000 shares for total consideration of $4,000 ($0.10 per share) under the IPO. Patrick Langlois, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), acquired 2,010,000 shares for total consideration of $201,000 ($0.10 per share) under the Placement. David Palmer acquired 3,920,000 shares for total consideration of $392,000 ($0.10 per share) under the Placement and 40,000 shares for total consideration of $4,000 ($0.10 per share) under the IPO.

The common shares referred to above were acquired independently by each of Mr. Sokalsky, Mr. Langlois and Mr. Palmer (collectively, the "Acquirors") for investment purposes. Each of the Acquirors may increase or decrease their respective ownership or control in securities of the Company depending on, among other factors, market conditions and other relevant factors.

(ii) On September 15, 2017, 46,180 warrants with an exercise price of $0.10 were exercised for cash proceeds of $4,618.

4. Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the years presented:

	Number of Warrants	Fair Value
Balance, January 31, 2017	**-**	**$ -**
Granted (note 3(b)(i))	160,000	8,432
Exercised (note 3(b)(ii))	(46,180)	(2,434)
Balance, January 31, 2018 and January 31, 2019	**113,820**	**$ 5,998**

The following table reflects the warrants issued and outstanding as of January 31, 2019:

Expiry Date	Exercise Price	Warrants Outstanding	Valuation
September 1, 2019	$ 0.10	113,820	$ 5,998

(Expressed in Canadian Dollars)

5. Stock options

The Company's stock option plan provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting. The exercise price and vesting terms of stock options is determined by the Board of Directors of the Company at the time of grant.

The following table reflects the continuity of stock options for the periods presented:

	Number of Stock Options		Weighted Average Exercise Price
Balance, January 31, 2017	**-**	**$**	**-**
Stock options granted (i)	1,128,000		0.10
Balance, January 31, 2018 and January 31, 2019	**1,128,000**	**$**	**0.10**

(i) On September 1, 2017, the Company granted an aggregate of 1,128,000 incentive stock options to its directors, officers and certain technical consultants, exercisable at a price of $0.10 per share for a period of five years, vesting 25% on grant and every six months thereafter. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.10; expected dividend yield of 0%; risk-free interest rate of 1.59%; volatility of 100% and an expected life of 5 years. The fair value assigned to these options was $84,262. For the year ended January 31, 2019, the impact on the statement of comprehensive loss was $35,181 (year ended January 31, 2018 - $47,878).

The following table reflects the stock options issued and outstanding as of January 31, 2019:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
September 1, 2022	0.10	3.59	1,128,000	846,000	282,000

6. Financial Instrument and risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payables and accrued liabilities, and due to related parties approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

6. Financial Instrument and risk management (continued)

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

(d) 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 market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on deposit with financial institutions and management actively negotiates favorable market related interest rates.

7. Capital disclosure and management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a QT as defined in TSX-V Policy 2.4. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.

As a CPC, the Company will be subject to externally imposed capital requirements as outlined in the TSX-V Policy 2.4 and summarized below:

1. No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a QT;
2. Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a QT;
3. No more than the lesser of $210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate QT;
4. After the completion of its IPO and until the completion of a QT, a CPC may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

There were no changes in the Company's approach to capital management during the year ended January 31, 2019.

(Expressed in Canadian Dollars)

8. Major shareholders and related party disclosures

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at January 31, 2019, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than set out below:

	Number of Common Shares	Percentage of Outstanding Common Shares
David Palmer	3,960,000	20.90 %
Jamie Sokalsky	3,960,000	20.90 %
Patrick Langlois, CEO and CFO	2,910,000	15.36 %

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

Related party disclosures

Related parties include the members of the Board of Directors, officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

(i) As of January 31, 2019, the Company has a balance owing to one of its former directors of $2,848 (January 31, 2018 - $2,848), for expenses paid on behalf of the Company. The amount due to the former director is non-interest bearing.

(ii) During the year ended January 31, 2019, the Company accrued professional fees of $40,000 (year ended January 31, 2018 - $nil) to Peterson McVicar LLP ("Peterson"). Dennis H. Peterson, a director of the Company, controls Peterson which provide legal services to the Company. As at January 31, 2019, Peterson was owed $40,000 (January 31, 2018 - $nil) and this amount was included in due to related parties.

(iii) On August 30, 2017, the Company announced that Jamie Sokalsky, the Executive Vice-President of the Company, acquired direct ownership of 1,000,000 common shares of the Company. The shares acquired were acquired privately from two third parties pursuant to share sale and purchase agreements dated July 26, 2017 at a price of $0.07 per share for an aggregate price of $70,000.

(iv) On August 30, 2017, the Company announced that Patrick Langlois, the CEO and CFO of the Company, acquired direct ownership of 900,000 common shares of the Company. The shares acquired were acquired privately from two third parties pursuant to share sale and purchase agreements dated July 26, 2017 at a price of $0.07 per share for an aggregate price of $63,000.

(v) Note 3(b(i)).

(vi) Remuneration of directors and key management of the Company was as follows:

	Year Ended January 31, 2019	2018
Share-based payments [1]	**$ 14,814**	$ 31,833

[1] Other than share-based payments, compensation to officers and directors is strictly prohibited.

(Expressed in Canadian Dollars)

9. Income taxes

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	Year Ended January 31, 2019	2018
	27.00%	26.08%
Loss before income taxes	**$ (130,546)**	$ (152,321)
Income tax recovery computed at statutory rates	**(35,247)**	(39,733)
Deductible and non-deductible amounts	**9,499**	(1,135)
Unrecognized benefit of deferred tax assets	**25,748**	40,868
Actual income tax recovery	**$ -**	$ -

There are no deferred tax assets/(liabilities) presented in the statement of financial position.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets/(liabilities) have been recognized are attributable to the following:

	2019	2018
Deferred income tax assets/(liabilities)		
Non-capital loss carryforward pools	**$ 235,000**	$ 129,000
Share issuance costs	**31,000**	42,000
Unrecognized deductible temporary differences	**$ 266,000**	$ 171,000

This potential future tax benefit has been offset entirely by a valuation allowance and has not been recognized in these financial statements. The non-capital loss carry-forwards expire according to the following schedule:

	2019	2018
2031	**$ 2,000**	$ 2,000
2032	**1,000**	1,000
2033	**1,000**	1,000
2034	**1,000**	1,000
2035	**1,000**	1,000
2036	**1,000**	1,000
2037	**7,000**	7,000
2038	**115,000**	115,000
2039	**106,000**	-
	$ 235,000	$ 129,000

10. Letter of intent with AAA Medic Montreal Inc.

On August 27, 2018, the Company and AAA Medic Montreal Inc. (“AAA Medic”) entered into a binding letter of intent (“LOI”) to complete a business combination transaction (the “Transaction”). Upon completion of the Transaction, the combined entity (the “Resulting Issuer”) was expected to carry on the business of AAA Medic, a vertically integrated cannabis company incorporated under the Canada Business Corporations Act. The Transaction was expected to be completed by way of a three-cornered amalgamation between AAA Medic and Angus, pursuant to which all of the issued and outstanding common shares of AAA Medic were converted into Resulting Issuer Shares on the basis of 1.1 Resulting Issuer Shares for each AAA Medic Share.

On January 28, 2019, AAA Medic and the Company agreed to terminate the LOI.

11. Subsequent event

On April 25, 2019, the Company entered into a purchase agreement (the “Purchase Agreement”) with Luxor Exploration Inc. (“Luxor”), a private company, and Canstar Resources Inc. (“Canstar”), a company listed on the TSX-V, pursuant to which the Company agreed to acquire an aggregate 100% interest in the Slate Bay property comprising eight patented mining claims in southern McDonough Township, Ontario within the Red Lake gold camp (the “Property”) in exchange for the consideration consisting of: i) the payment to Canstar of $30,000 (not completed) and issuance to Canstar of 70,000 common shares of the Company (not completed) in respect of Canstar’s 75% interest in the property; and ii) the payment to Luxor of $30,000 (not completed) for Luxor’s 25% interest in the Property. The acquisition of the Property pursuant to the Purchase Agreement would constitute a QT under the policies of the TSX-V and is subject to acceptance by the TSX-V.