

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Ivor Exploration Inc.** (the “Issuer”).

Trading Symbol: **IVOR**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

Condensed consolidated interim financial statements for the six months period ended December 31, 2020 and 2019 (the “Interim Financial Statements”), as filed with the securities regulatory authorities are attached to this Form 5 as Appendix I.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

All related party transactions have been disclosed in Note 7 in the Issuer’s Interim Financial Statements attached hereto as Appendix I. For information supplementary to that contained in the notes to the Interim Financial Statements with respect to related party transactions, please refer to the Management’s Discussion and Analysis (“MD&A”) for the six months ended December 31, 2020 and 2019, as filed with the securities regulatory authorities and attached to this Form 5 as Appendix II.

2. Summary of securities issued and options granted during the period.

All securities issued and options granted, if any, have been disclosed in the Issuer’s Interim Financial Statements, attached hereto as Appendix I.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

A summary of securities as at the end of the reporting period have been disclosed in the Issuer's Interim Financial Statements, attached hereto as Appendix I.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
Brent Hahn	Director, CEO
Barry Hartley	Director, CFO
Jesse Hahn	Director
James McCrea	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

MD&A for the six months ended December 31, 2020 and 2019, attached to this form as Appendix II.

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Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated February 26, 2021.

Brent Hahn
Name of Director or Senior Officer

/s/ "Brent Hahn"
Signature

Chief Executive Officer & Director
Official Capacity

Issuer Details		For Quarter Ended	Date of Report
Name of Issuer		December 31, 2020	YY/MM/D
Ivor Exploration Inc.			21/02/26
Issuer Address			
Suite 1080, 789 West Pender Street			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6C 1H2		(604) 428-7052	(604) 428-7050
Contact Name		Contact Position	Contact Telephone No.
Brent Hahn		CEO and Director	(604) 428-7050
Contact Email Address		Web Site Address	
bfhahn@shaw.ca		n/a	

APPENDIX I

Ivor Exploration Inc.
Condensed Consolidated Interim Financial Statements
Six Month Period Ended December 31, 2020 and 2019
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Ivor Exploration Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its independent auditors have not performed a review of these condensed consolidated interim financial statements.

Ivor Exploration Inc.Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	December 31, 2020	June 30, 2020
ASSETS			
Current assets			
Cash		\$ 220,661	\$ 325,733
GST receivable		8,552	7,533
		229,213	333,266
Non-Current assets			
Exploration and evaluation assets	4	127,638	127,638
TOTAL ASSETS		\$ 356,851	\$ 460,904
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	7	\$ 68,019	\$ 150,261
Loans from related parties	5,7	10,385	10,385
TOTAL LIABILITIES		78,404	160,646
SHAREHOLDERS' EQUITY			
Share capital	6	499,307	499,307
Reserves	6	23,693	23,693
Deficit		(244,553)	(222,742)
TOTAL SHAREHOLDERS' EQUITY		278,447	300,258
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 356,851	\$ 460,904

Nature and continuance of operations (Note 1)

Subsequent events (Note 10)

Approved by the board of directors and authorized for issue on February 26, 2021:

"Brent Hahn"

Brent Hahn, Director

"Barry Hartley"

Barry Hartley, Director

Ivor Exploration Inc.Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended December 31,		For the six months ended December 31,	
	2020	2019	2020	2019
Expenses				
Office and miscellaneous	\$ 25	\$ 19	\$ 44	\$ 39
Professional fees	8,199	2,466	13,116	6,715
Transfer agent and filing fees	5,871	-	8,651	855
	(14,095)	(2,485)	(21,811)	(7,609)
Interest income	-	-	-	137
Loss and comprehensive loss	\$ (14,095)	\$ (2,485)	\$ (21,811)	\$ (7,472)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	11,780,000	7,780,000	11,780,000	7,780,000

See accompanying notes to the condensed consolidated interim financial statements.

Ivor Exploration Inc.Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	<u>Share capital</u>					
	<u>Shares</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>	
Balance at June 30, 2019	7,780,000	\$ 209,000	\$ -	\$ (48,902)	\$ 160,098	
Loss for the period	-	-	-	(7,472)	(7,472)	
Balance at December 31, 2019	7,780,000	\$ 209,000	\$ -	\$ (56,374)	\$ 152,626	
Balance at June 30, 2020	11,780,000	\$ 499,307	\$ 23,693	\$ (222,742)	\$ 300,258	
Loss for the period	-	-	-	(21,811)	(21,811)	
Balance at December 31, 2020	11,780,000	\$ 499,307	\$ 23,693	\$ (244,553)	\$ 278,447	

See accompanying notes to the condensed consolidated interim financial statements.

Ivor Exploration Inc.Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	For the Six months ended	
	2020	December 31, 2019
Operating activities		
Loss for the period	\$ (21,811)	\$ (7,472)
Changes in non-cash working capital items:		
GST receivable	(1,019)	4,946
Accounts payable and accrued liabilities	(82,242)	(2,807)
Net cash flows used in operating activities	(105,072)	(5,333)
Financing activities		
Loans from related parties	-	4,000
Net cash flows from financing activities	-	4,000
Change in cash	(105,072)	(1,333)
Cash, beginning	325,733	4,743
Cash, ending	\$ 220,661	\$ 3,410

There were no cash investing activities during the six-month period ended December 31, 2020 and 2019.

Ivor Exploration Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six-Month Period Ended December 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

1. Nature and continuance of operations

Ivor Exploration Inc. (formerly Ivor Ventures Ltd.) (the “Company”) was incorporated on July 4, 2011, under the Canada Business Corporations Act. On October 12, 2017, the Company changed its name to Ivor Exploration Inc. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company common shares were listed on Canadian Securities Exchange under the stock symbol “IVOR”.

The head office, principal address, records office and registered address of the Company are located at 1080 - 789 West Pender Street, Vancouver BC, V6C 1H2.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At December 31, 2020, the Company had not yet achieved profitable operations and had accumulated losses of \$244,553 since its inception. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company’s continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with private placement financing and loans from directors and companies controlled by directors.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID- 19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. Statement of compliance and basis of preparation

These condensed consolidated interim financial statements were authorized for issue by the directors of the Company on February 26, 2021.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual audited financial statements as at and for the year ended June 30, 2020.

The condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company’s annual audited financial statements as at and for the year ended June 30, 2020.

Ivor Exploration Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Six-Month Period Ended December 31, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

2. Statement of compliance and basis of presentation (Continued)

Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for some financial instruments classified in accordance with measurements standards under IFRS. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise specified. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

3. Acquisition

On December 14, 2020, the Company acquired from a director of the Company, all the issued and outstanding shares being 1 common share in the capital of HAB Capital Inc. ("HAB Capital) with a fair value of \$0.01 (note 7 and 10).

4. Exploration and evaluation assets

In 2012, the Company purchased the Ultimate property (the "Property") for \$8,000. The Property is located in British Columbia.

No expenditures were incurred on the property for the period ended December 31, 2020. As at December 31, 2020, total exploration and evaluation assets was \$127,638 (June 30, 2020 - \$127,638).

5. Loans from related parties

As at December 31, 2020, accounts payable and accrued liabilities include \$50,000 (June 30, 2020 - \$102,500) owing to directors and officers of the Company. Amounts due to related party are unsecured, non-interest bearing and has no specified terms of repayment.

As at December 31, 2020, loans from related parties are \$10,385 (June 30, 2020 - \$10,385). The loans are unsecured, non-interest-bearing and due on demand.

Ivor Exploration Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Six-Month Period Ended December 31, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

6. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2020, there were 11,780,000 (June 30, 2020 – 11,780,000) issued and fully paid common shares.

Stock options

There were 320,000 agent's options outstanding as at December 31, 2020 and June 30, 2020.

The following is a summary of stock options as at December 31, 2020:

Expiry date	Exercise price	Remaining average contractual life (Years)	Number of options outstanding	Number of options exercisable
June 26, 2022	\$ 0.10	1.48	320,000	320,000

Warrants

The Company has not issued any warrants and no warrants are outstanding as at December 31, 2020 and June 30, 2020.

7. Related party transactions

As at December 31, 2020, accounts payable and accrued liabilities include \$50,000 (June 30, 2020 - \$102,500) owing to directors and officers of the Company. Amounts due to related party are unsecured, non-interest bearing and has no specified terms of repayment.

As at December 31, 2020, loans from related parties are \$10,385 (June 30, 2020 - \$10,385). The loans are unsecured, non-interest-bearing and due on demand.

During the period ended December 31, 2020, the Company acquired from a director of the Company, all the issued and outstanding shares being 1 common share in the capital of HAB Capital with a fair value of \$0.01 (note 3).

8. Financial instruments

Fair value

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans from related parties. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments. All financial instruments are classified as Level 1.

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.

Ivor Exploration Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six-Month Period Ended December 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

8. Financial instruments (Continued)

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:

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 is not exposed to credit risk.

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 ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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 not exposed to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the period ended December 31, 2020.

The Company is not subject to any externally imposed capital requirements.

9. Segmented information

The Company operates in a single reportable operating segment – exploration of mineral properties.

10. Subsequent events

Other transactions

On January 4, 2021, the Company formed a 100% owned private company, Kelso Capital, Inc. ("Kelso Capital").

On February 22, 2021, the Company sold to Penn Capital Inc. 100% interest in HAB Capital for \$1 and 100% interest in Kelso Capital for \$1.

APPENDIX II

Ivor Exploration Inc.

Management's Discussion and Analysis

For the Six Months Ended December 31, 2020 and 2019

General

This management discussion and analysis should be read in conjunction with the condensed consolidated interim unaudited financial statements and related notes thereto of Ivor Exploration Inc. (the "Company") for the six months ended December 31, 2020 and 2019 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board. All amounts in the financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis ("MD&A") is dated February 26, 2021 and discloses specified information up to that date.

Management is responsible for the preparation and integrity of the condensed consolidated interim financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the condensed consolidated interim financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

On October 12, 2017, the Company changed its name to Ivor Exploration Inc. The Company is a resource exploration company that is acquiring and exploring mineral properties.

The Company's common shares were listed on Canadian Securities Exchange under the stock symbol "IVOR" and commenced trading on June 30, 2020.

Development of the Company's Business

On December 14, 2020, the Company acquired from a director of the Company, all the issued and outstanding shares being 1 common share in the capital of HAB Capital Inc. ("HAB Capital") with a fair value of \$0.01.

On January 4, 2021, the Company formed a 100% owned private company, Kelso Capital, Inc. ("Kelso Capital").

On February 22, 2021, the Company sold to Penn Capital Inc. 100% interest in HAB Capital for \$1 and 100% interest in Kelso Capital for \$1.

Exploration and evaluation assets

Ultimate Property

In May 2012, the directors of Ivor Exploration Inc. commissioned a staker to find a mineral property for the company. The staker map-staked the ULTIMATE 1, 3 and 4 plus the claim with “no name” (record number 984144) in 2012 and to transfer title for payment of \$8,000 for 100% of the first four claims in 2012 with no further payments. The 2017 claims; ULTIMATE 5 to 7 were map-staked directly by Ivor Exploration Inc. for \$2,000

Results of Operations

	For the three months ended December 31,		For the six months ended December 31,	
	2020	2019	2020	2019
Expenses				
Office and miscellaneous	\$ 25	\$ 19	\$ 44	\$ 39
Professional fees	8,199	2,466	13,116	6,715
Transfer agent and filing fees	5,871	-	8,651	855
	(14,095)	(2,485)	(21,811)	(7,609)
Interest income	-	-	-	137
Loss and comprehensive loss	\$ (14,095)	\$ (2,485)	\$ (21,811)	\$ (7,472)

Three months ended December 31, 2020 and 2019

The net loss for the three months ended December 31, 2020 was \$14,095 compared to \$2,485 for the three months ended December 31, 2019, representing an increase in loss of \$11,610. The increase in expenses is due to increase in professional fees related to accounting and administrative services in connection with the preparation of quarterly financial statements. The increase is also due to higher regulatory fees related to the listing of the Company to the Canadian Securities Exchange which commenced on June 30, 2020.

Six months ended December 31, 2019 and 2018

The net loss for the six months ended December 31, 2020 was \$21,811 compared to \$7,472 for the six months ended December 31, 2019, representing an increase in loss of \$14,339. The increase in expenses is due to increase in professional fees related to accounting and administrative services in connection with the preparation of quarterly financial statements. The increase is also due to higher regulatory fees related to the listing of the Company to the Canadian Securities Exchange which commenced on June 30, 2020.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's condensed consolidated interim financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
31-Dec-20	\$14,095	\$0.00	\$356,851	\$Nil
30-Sep-20	\$7,716	\$0.00	\$370,995	\$Nil
30-Jun-20	\$149,089	\$0.02	\$460,904	\$Nil
31-Mar-20	\$17,279	\$0.00	\$182,226	\$Nil
31-Dec-19	\$2,485	\$0.00	\$165,411	\$Nil
30-Sep-19	\$4,987	\$0.00	\$166,838	\$137
30-Jun-19	\$30,585	\$0.01	\$11,552	\$Nil
31-Mar-19	\$1,219	\$0.00	\$144,731	\$Nil

Financial Condition, Liquidity and Capital Resources

The Company had a working capital of \$150,809 as at December 31, 2020 compared to a working capital of \$172,620 as at June 30, 2020. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transaction

As at December 31, 2020, accounts payable and accrued liabilities include \$50,000 (June 30, 2020 - \$102,500) owing to directors and officers of the Company. Amounts due to related party are unsecured, non-interest bearing and has no specified terms of repayment.

As at December 31, 2020, loans from related parties are \$10,385 (June 30, 2020 - \$10,385). The loans are unsecured, non-interest-bearing and due on demand.

During the period ended December 31, 2020, the Company acquired from a director of the Company, all the issued and outstanding shares being 1 common share in the capital of HAB Capital with a fair value of \$0.01

Financial Instruments and Risk Management

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans from related parties. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments. All financial instruments are classified as Level 1.

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.

(a) Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is not exposed to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

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. Such fluctuations may be significant.

- (a) Interest rate risk
The Company has no cash balances and no interest-bearing debt.
- (b) Foreign currency risk
The Company is not exposed to foreign currency risk on fluctuations in exchange rates.
- (c) Price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings 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.

COVID-19

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID- 19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of as at the date of this report.

Additional share information

As at December 31, 2020 and as at the date of this report, the Company had 11,780,000 common shares outstanding.

As at December 31, 2020 and as at the date of this report, the Company had 320,000 stock options outstanding and exercisable.

As at December 31, 2020 and as at the date of this report, the Company had no warrants outstanding.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.