PODA LIFESTYLE & WELLNESS LTD.

FINANCIAL STATEMENTS

FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of PODA Lifestyle & Wellness Ltd.

Opinion on the financial statements

We have audited the accompanying financial statements of PODA Lifestyle & Wellness Ltd. which comprise the statements of financial position as at February 28, 2021 and February 29, 2020, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years ended February 28, 2021 and February 29, 2020 and the period from incorporation on July 6, 2018 to February 28, 2019, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at as at February 28, 2021 and February 29, 2020, and its financial performance and its cash flows for the years ended February 28, 2021 and February 29, 2020 and the period from incorporation on July 6, 2018 to February 28, 2019 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and do not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia

March 29, 2021

PODA Lifestyle & Wellness Ltd.
Statements of Financial Position
(Expressed in Canadian Dollars)

	February 28, 2021	February 29, 2020
	$	$
ASSETS		
CURRENT ASSETS:		
Cash held in trust	863,626	-
TOTAL ASSETS	863,626	-
LIABILITIES AND SHAREHOLDERS DEFICIENCY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	31,379	2,732
LONG TERM LIABILITIES:		
Convertible debenture (Note 6)	122,204	-
Deferred income tax liability (Note 9)	9,158	-
TOTAL LIABILITIES	162,741	2,732
SHAREHOLDERS EQUITY (DEFICIENCY)		
Share capital (Note 4)	837,500	-
Subscriptions receivable	(160,000)	-
Contributed surplus	50,672	-
Deficit	(27,287)	(2,732)
TOTAL SHAREHOLDERS DEFICIENCY	700,885	(2,732)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	863,626	-

Nature of business and going concern (Note 1)
Subsequent events (Note 10)

These financial statements were approved by the Board of Directors on March 29, 2021:

"Jordan Crockett"
Jordan Crockett, Director

PODA Lifestyle & Wellness Ltd.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended February 28, 2021	Year ended February 29, 2020	Period ended February 28, 2019
	$	$	$
EXPENSES			
Foreign exchange	1,374	-	-
General and administrative	498	608	2,124
Interest and accretion	4,534	-	-
Professional fees	27,733	-	-
NET LOSS BEFORE INCOME TAXES	**(34,139)**	**(608)**	**(2,124)**
Deferred income tax recovery	**9,584**	**-**	**-**
NET AND COMPREHENSIVE LOSS	**(24,555)**	**(608)**	**(2,124)**
Net loss per share: basic and diluted	(0.00)	(608.00)	(2,124.00)
Weighted average number of shares outstanding: basic and diluted	5,784,933	1	1

The accompanying notes are an integral part of these financial statements

PODA Lifestyle & Wellness Ltd.
Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars)

	Share capital		Subscriptions receivable	Contributed surplus	Deficit	Total
	#	$	$	$	$	$
Balance July 6, 2018 (date of incorporation)	-	-	-	-	-	-
Shares issued upon incorporation	1	-	-	-	-	-
Net loss for the period	-	-	-	-	(2,124)	(2,124)
Balance at February 28, 2019	1	-	-	-	(2,124)	(2,124)
Net loss for the year					(608)	(608)
Balance at February 29, 2020	1	-	-	-	(2,732)	(2,732)
Shares issued for cash	26,500,000	837,500	(160,000)	-	-	677,500
Equity portion of convertible debenture	-	-	-	50,672	-	50,672
Net loss for the year	-	-	-	-	(24,555)	(24,555)
Balance at February 28, 2021	26,500,001	837,500	(160,000)	50,672	(27,287)	700,885

The accompanying notes are an integral part of these financial statements

PODA Lifestyle & Wellness Ltd.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended February 28, 2021	Year Ended February 29, 2020	Period Ended February 28, 2019
	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	(24,555)	(608)	(2,124)
Non cash item:			
Accretion	4,118	-	-
Deferred income tax recovery	(9,584)		
Changes in operating assets and liabilities:			
Accounts payable and accrued liabilities	28,647	608	2,124
Net cash used in operating activities	(1,374)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received from shares issued	677,500	-	-
Cash received from convertible debentures issued	187,500	-	-
Net cash provided by financing activities	863,626	-	-
Increase in cash and cash equivalents	863,626	-	-
Cash held in trust, beginning of year	-	-	-
Cash held in trust, end of year	863,626	-	-
	-		
Supplemental cash flow information			
Interest paid	-	-	-
Income taxes paid	-	-	-

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

PODA Lifestyle & Wellness Ltd. (the "Company") was incorporated in the Province of British Columbia on July 6, 2018, under the Business Corporations Act of British Columbia under the name Gamora Capital Corp. On March 11, 2021, the Company changed its name to PODA Lifestyle & Wellness Ltd. The Company's head office is located at 666 Burrard St, Vancouver, BC V6C 2Z7.

The Company was formed for the primary purpose of completing a Public Listing ("Listing") on the Canadian Securities Exchange (the "Exchange"). The Company's primary business is to identify, evaluate and acquire assets, properties or businesses for the Listing.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company does not have any working capital and has not earned income from inception. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities, when due, is dependent upon the Company's ability to execute its business plan which may require additional financing. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

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. The Company's operations have not been drastically impacted by the pandemic. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). They are prepared on a historical cost basis.

The financial statements have been prepared on an accrual basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

The financial statements were authorized for issue by the Board of Directors on March 29, 2021.

Significant accounting judgments and estimates
The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the financial statements.

They are as follows:

- The determination of the Company's ability to continue as a going concern.
- Discount rate applied for the purpose of calculating the present value of the liability component of convertible debentures.

Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. To compute diluted income (loss) per share, adjustments are made to common shares outstanding, if applicable. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at the time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. If this computation is anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share. For the periods presented, this calculation proved to be anti-dilutive.

Income taxes

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

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the underlying assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Financial instruments

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

Financial assets – Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

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

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets - Measurement

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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

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

Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

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

The Company has designated its cash held in trust as FVTPL.

Financial liabilities

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company has not designated any financial liabilities at FVTPL. The Company has designated its accounts payable and convertible debenture as amortized cost.

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

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its 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 are not expected to have a significant impact on the Company's financial statements.

4. SHARE CAPITAL

Common shares

The Company's authorized capital consists of an unlimited number of common shares without par value. As at February 28, 2021 there were 26,500,000 issued and outstanding common shares (2020-1).

On December 9, 2020, the Company issued 19,500,000 common shares for proceeds of $487,500. Pursuant to the private placement, the Company has received $477,500 and the remaining proceeds were outstanding. The holders were issued an aggregate of 19,500,000 common share purchase warrants with an exercise price of $0.10 for every common share issued expiring three years from date of issuance.

On December 14, 2020, the Company issued 7,000,000 common shares for proceeds of $350,000. Pursuant to the private placement, the Company has received $200,000 and the remaining proceeds were outstanding.

There were no share capital transactions during the year ended February 29, 2020 and the period ended February 28, 2019.

Warrants

During the year ended February 28, 2021, the Company issued an aggregate of 27,000,000 warrants pursuant to a unit private placement and convertible debenture issued on December 9, 2020. Each warrant is exercisable into one common share of the Company at $0.10 per common share for a period of three years from the date of issuance.

There were no warrant transactions during the year ended February 29, 2020 and the period ended February 28, 2019.

As at February 28, 2021, 27,000,000 warrants are outstanding with a weighted average exercise price of $0.10 and a weighted average remaining contractual life of 2.78 years.

5. RELATED PARTY TRANSACTIONS AND BALANCES

Key Management personnel compensation

Key management personnel consist of officers and directors of the Company. No remuneration was paid during the years ended February 28, 2021 and February 29, 2020 and the period ended February 28, 2019 to any key management personnel.

6. CONVERTIBLE DEBENTURE

On December 9, 2020, the Company issued an unsecured convertible debenture for gross proceeds of $187,500. The convertible debenture bears interest at 1%, matures in 36 months, and is payable on demand after maturity. At any time prior to the maturity date of the convertible debenture, the holder has the option to convert any portion of the outstanding principal amount and accrued interest amount at a conversion rate of one common share of the Company for $0.025 of the principal amount plus accrued interest amount remaining due. The holders were issued an aggregate of 7,500,000 common share purchase warrants with an exercise price of $0.10 for every common share issued expiring three years from date of issuance.

Using a risk adjusted discount rate of 18%, the present value of the liability component was determined to be $118,086 and the remaining $69,414 and was recognized as the equity portion of convertible debenture on the Statement of Financial Position. Upon recognition of the equity portion of convertible debenture, a deferred income tax liability of $18,742 was recorded against equity, representing the difference between the tax and carrying values of the convertible debenture, thereby reducing the equity portion of the convertible debenture to $50,673. During the year ended February 28, 2021, the Company recorded accretion expense and interest expense of $4,118 and $416, respectively, in the Statement of Comprehensive Loss.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash held in trust, accounts payable and convertible debenture. The carrying value of these financial instruments approximates their fair values due to their immediate or short-term maturity.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash and cash equivalents is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

The Company measures its cash held it trust at fair value.

The Company's financial instruments are exposed to the following risks:

<u>Liquidity Risk</u>

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management and ensuring that sufficient financial resources to meet liabilities as they come due. As at February 28, 2021, the Company has a working capital of $832.247. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

<u>Market Risk</u>

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

<u>Interest Rate Risk</u>

The Company does not have any financial assets exposed to interest rate risk.

<u>Price Risk</u>

Price risk is the risk associated with equity prices. The Company closely monitors equity prices to determine the appropriate course of action to be taken by the Company.

<u>Foreign exchange risk</u>

The Company's functional and reporting currency is the Canadian dollar. The Company's transactions are predominantly in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(Expressed in Canadian Dollars)

8. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year ended February 28, 2021. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations.

9. INCOME TAX

In assessing deferred income tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and concluding the deferred tax assets were not realized.

	2021	2020	2019
Canadian statutory income tax rate	27%	27%	27%
	$	$	$
Income tax payable at statutory rate	(9,218)	(164)	(574)
Effect on income taxes of:			
Permanent differences and other	372	-	-
Change in unrecognized deferred income tax assets	(738)	164	574
Deferred income tax recovery	(9,584)	-	-

The nature and effect of the Company's deferred tax assets is as follows:

	2021	2020	2019
	$	$	$
Non capital losses carried forward	8,472	738	574
Convertible debentures	(17,630)		
Deferred income tax assets not recognized	-	(738)	(574)
Net deferred income tax asset (liability)	(9,158)	-	-

As at February 28, 2021, the Company had approximately $31,000 in non-capital loss carry forward available to reduce taxable income for future year. The non-capital losses begin to expire in 2039.

10. SUBSEQUENT EVENTS

Private Placement

On March 10, 2021, the Company issued 150,000 special warrants for total gross proceeds of $7,500.

Plan of Arrangement

On February 8, 2021, the Company and Poda Technologies Ltd. ("Poda") entered into a Plan of Arrangement Agreement (the "Arrangement" or the |Arrangement Agreement"). Completion of the Arrangement as set forth in the Arrangement Agreement was approved by the shareholders of Poda on March 19, 2021, and a final order granted by the Supreme Court of British Columbia on March 24, 2021 in accordance with Part 9 of the Business Corporations Act (British Columbia). As a result of the Arrangement, the Company issued 42,784 preferred shares to the former Poda Shareholders and Poda became a wholly owned subsidiary of the Company.