

DISCOVERY ONE INVESTMENT CORP.

Consolidated Interim Financial Statements

For the three months ended July 31, 2021 and 2020

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

DISCOVERY ONE INVESTMENT CORP.

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DISCOVERY ONE INVESTMENT CORP.

Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

	Notes	As at	
		July 31, 2021	April 30, 2021
Assets			
Cash and cash equivalents		\$ 732,519	\$ 1,010,913
Amounts receivable	4	9,476	5,831
Note receivable	1, 2, 5	250,000	-
		991,995	1,016,744
Liabilities and Shareholders' Equity			
Accounts payable and accrued liabilities		11,706	24,063
Shareholders' equity			
Share capital	6	1,298,422	1,298,422
Reserves	6	229,159	229,159
Deficit		(547,292)	(534,900)
		980,289	992,681
		\$ 991,995	\$ 1,016,744

Nature of operations (Note 1)

Subsequent events (Note 1 and 10)

Approved on behalf of the board of directors:

"Len W. Brownlie"

Len W. Brownlie, Director

"Chris McLeod"

Chris McLeod, Director

The accompanying notes form an integral part of these consolidated interim financial statements.

DISCOVERY ONE INVESTMENT CORP.

Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

		For the three months ended	
	Notes	July 31, 2021	July 31, 2020
Expenses:			
Accounting and audit fees		\$ 499	\$ 15,737
Bank fees		10	25
Filing fees		10,962	6,294
Interest income		(6,136)	(10,966)
Legal fees		7,057	4,363
Office and miscellaneous	7	-	1,500
Net and comprehensive loss		\$ (12,392)	\$ (16,953)
Loss per share – basic and diluted		\$ (0.00)	\$ (0.00)
Weighted-average number of common shares outstanding		20,064,350	20,064,350

The accompanying notes form an integral part of these consolidated interim financial statements.

DISCOVERY ONE INVESTMENT CORP.

Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)

For the three months ended July 31, 2021

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

	Share capital				Total Shareholders' Equity
	Shares	Amount	Reserves	Deficit	
Balance, April 30, 2020	20,064,350	\$1,298,422	\$ 229,159	\$(416,557)	\$ 1,111,024
Net and comprehensive loss	-	-	-	(118,343)	(118,343)
Balance, April 30, 2021	20,064,350	1,298,422	229,159	(534,900)	992,681
Net and comprehensive loss	-	-	-	(12,392)	(12,392)
Balance, July 31, 2021	20,064,350	\$1,298,422	\$ 229,159	\$(547,292)	\$ 980,289

The accompanying notes form an integral part of these consolidated interim financial statements

DISCOVERY ONE INVESTMENT CORP.

Consolidated Interim Statements of Cash Flows
 (Expressed in Canadian Dollars)
 (Unaudited – prepared by management)

	For the three months ended	
	July 31, 2021	July 31, 2020
Cash provided by (used in):		
Operating activities		
Net and comprehensive loss	\$ (12,392)	\$ (16,953)
Changes in non-cash working capital:		
Accounts receivable	(3,645)	(8,952)
Accounts payable	(12,357)	2,431
Interest income reclassified to investing activities	(212)	(423)
Net cash used in operating activities	(28,606)	(23,897)
Investing activities		
Note receivable	(250,000)	-
Interest received	212	423
Cash flows from (used in) investing activities	(249,788)	423
Increase (decrease) in cash	(278,394)	(23,474)
Cash, beginning of period	1,010,913	885,623
Cash, end of period	\$ 732,519	\$ 862,149

The accompanying notes form an integral part of these consolidated financial statements.

DISCOVERY ONE INVESTMENT CORP.

Notes to the Consolidated Interim Financial Statements
For the three months ended July 31, 2021 and 2020

1. NATURE OF OPERATIONS

Discovery One Investment Corp. (the “Company”) was incorporated under the laws of the Province of British Columbia on February 14, 2018. The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (the “Exchange”) as a Capital Pool Corporation (“CPC”) as defined in Policy 2.4 of the Exchange. The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). As it has yet to complete its QT, the Company has not commenced active business operations and has no assets other than cash. The Company’s current activity is to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and in the case of a non-arms’ length transaction, of the majority of the minority shareholders.

The Company’s head office and principal address is 5761 Seaview Place, West Vancouver BC, V7W 1R7. The registered and records office is 910-800 West Pender Street, Vancouver, BC, V6C 2V6.

On October 26, 2018, the Company completed its IPO, whereby it issued 10,000,000 common shares at \$0.10 per common share for gross proceeds of \$1,000,000. Upon completion of the IPO, 2,000,000 stock options were granted to directors and officers of the Company with an exercise price of \$0.10 per common share and exercisable for a period of 10 years from the date of grant.

On September 30, 2019, the Company entered into a non-binding letter of intent with Current Energy and Renewables Corp. (“CER”) (formerly Current Power & Gas Inc.), a private company existing under the laws of British Columbia, pursuant to which the Company would have acquired all of the outstanding shares of CER and the business of CER would have become the business of the resulting issuer.

On November 29, 2019, the Company incorporated a wholly-owned subsidiary, 1231986 BC Ltd. (“Newco”) to facilitate the merger with CER.

On December 27, 2019, the Company entered into a definitive Amalgamation Agreement with CER and Newco, whereby, on the effective date of the Amalgamation Agreement, CER would have amalgamated with Newco. On August 17, 2020, the Company provided CER with a notice of termination, thereby terminating the Agreement. Refer to note 5.

On March 9, 2021, the Company entered into a definitive Amalgamation Agreement (the “Agreement”) with Pacific Frontier Investments Inc. (“PFI”), a private company existing under the laws of British Columbia, pursuant to which the Company and PFI will complete a business combination by way of an amalgamation. Pursuant to the Agreement, the Company will acquire all of the common shares of PFI and the business of PFI will become the business of the resulting issuer. Trading in the Company’s shares will remain halted until completion of the QT.

The shareholders of PFI would control the consolidated entity subsequent to completion of the Agreement and accordingly, for accounting purposes, it is expected to constitute a reverse acquisition, with PFI considered to be the acquiring entity and the Company the entity being acquired.

DISCOVERY ONE INVESTMENT CORP.

Notes to the Consolidated Interim Financial Statements
For the three months ended July 31, 2021 and 2020

1. NATURE OF OPERATIONS (cont'd)

Completion of the Agreement remains subject to several conditions, including the approvals of the shareholders of PFI and certain regulatory authorities, including the Exchange. As the Agreement does not contemplate a non-arms length combination, in respect to the shareholders of both parties, the Company does not require the formal approval of its shareholders in respect to it. Refer to note 10.

The Company has no source of operating revenue, has incurred losses since inception and as at July 31, 2021 has an accumulated deficit of \$547,292. Its continued existence will be dependent on the receipt of related party debt or equity financing on terms that are acceptable to the Company.

2. BASIS OF PRESENTATION

These consolidated financial statements were authorized for issue by the directors of the Company on September 29, 2021.

Statement of compliance

These consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

Basis of presentation

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

Basis of consolidation

These consolidated financial statements include the accounts of Discovery One Investment Corp. and its wholly owned subsidiary, 1231986 BC Ltd.

Subsidiaries are all entities over which Discovery One Investment Corp. has control. The Company controls an entity when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is obtained by Discovery One Investment Corp. and are deconsolidated from the date that control ceases.

All intercompany transactions, balances, revenues and expenses have been eliminated.

DISCOVERY ONE INVESTMENT CORP.

Notes to the Consolidated Interim Financial Statements
For the three months ended July 31, 2021 and 2020

2. BASIS OF PRESENTATION (cont'd)

Significant estimates and assumptions

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

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

Significant judgments

The preparation of the consolidated 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 applicable to the Company's consolidated 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 in this connection.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits held with Canadian banks.

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

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

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (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. If these computations prove to be anti-dilutive,

DISCOVERY ONE INVESTMENT CORP.

Notes to the Consolidated Interim Financial Statements
For the three months ended July 31, 2021 and 2020

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

diluted loss per share is the same as basic loss per share.

Income taxes

Income tax expense is comprised of 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. Current tax expense is the expected tax payable on 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 the asset and 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. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not 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 assets and liabilities, using tax rates enacted or substantively enacted at the reporting 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 probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Financial instruments – recognition and measurement

We have assessed the classification and measurement of our financial assets and financial liabilities as follows:

Financial Assets

Cash and cash equivalents	Amortized cost
Amounts receivable (excluding sales tax)	Amortized cost
Note receivable	Amortized cost

Financial Liabilities

Accounts payable and accrued liabilities	Amortized cost
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The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transactions costs with respect to financial instruments classified as fair value through profit or loss are recognized in the statements of loss and comprehensive loss.

DISCOVERY ONE INVESTMENT CORP.

Notes to the Consolidated Interim Financial Statements
For the three months ended July 31, 2021 and 2020

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of financial instruments measured at fair value, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

Financial instruments measured at fair value are classified into one of the 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 and 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.

Accounting pronouncement adopted in the current year

The Company has not adopted any new accounting pronouncements in the current year.

Recent accounting pronouncements

The Company has determined that any new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or will not have a significant impact on the Company's consolidated financial statements.

4. AMOUNTS RECEIVABLE

The Company's amounts receivable consists of GST/HST receivable from the Canadian government and interest receivable on the Company's term deposits.

As at July 31, 2021, the Company's amounts receivable are as follows:

GST receivable	\$	1,469
Interest receivable		8,007
Amounts receivable	\$	9,476

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Notes to the Consolidated Interim Financial Statements
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5. NOTE RECEIVABLE

On February 3, 2020, the Company entered into a loan agreement with CER, under which it advanced to CER an aggregate principal amount of \$225,000. The loan accrues interest at a rate of 15% per annum, and all accrued interest on the loan was payable on the earlier of (i) the closing date of the QT, or (ii) the date of termination of the Amalgamation Agreement with CER.

The loan is secured by a promissory note, a general security agreement pursuant to which CER granted the Company a security interest in CER's present and after-acquired personal property, and 3,000,000 common shares in the capital of CER. As of April 30, 2020, these shares had been issued to the Company. No amount has been recorded for these shares as they are to be returned to CER and cancelled upon CER repaying the full amount of the loan, including any accrued interest.

During the year ended April 30, 2021, the Company accrued interest receivable of \$25,243 (2020 - \$7,993), which was included in amounts receivable.

On August 18, 2020, in conjunction with the termination of the Amalgamation Agreement with CER, the Company gave notice to CER demanding repayment of the principal amount, plus all accrued interest.

On November 4, 2020, the Company filed a Statement of Civil Claim in the Supreme Court of British Columbia (the "Court") to seek repayment of the CER loan and outstanding interest. The Company was granted a pre-judgement garnishee order from the Court and was able to garnishee the sum of \$250,972 from the bank account of CER, which amount was paid into Court.

The Company then entered into a Consent Agreement with CER, whereby CER consented to the release of \$250,972 from the Court and the Company delivered a share certificate for 3,000,000 shares of CER to CER in full and final satisfaction of the outstanding loan and interest payable. On April 12, 2021 the Company received Court approval of the Consent Order and received the sum of \$250,972.

The remaining interest receivable on the loan is considered uncollectible. During the year ended April 30, 2021, the Company recognized bad debt expense of \$7,265 in the consolidated statement of loss and comprehensive loss relating to the uncollectible portion of interest receivable on the loan.

On May 3, 2021, the Company entered into a loan agreement with PFI, under which it advanced to PFI an aggregate principal amount of \$250,000. The loan accrues interest at a rate of 8% per annum, and all accrued interest on the loan is payable on the earlier of (i) the closing date of the QT, or (ii) the date of termination of the Amalgamation Agreement with PFI.

The loan is secured by moveable hard assets owned by PFI or its subsidiaries. Shareholders of PFI have approved the Agreement and the Exchange has issued its conditional acceptance of it.

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Notes to the Consolidated Interim Financial Statements
For the three months ended July 31, 2021 and 2020

6. SHARE CAPITAL

a. Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

b. Issued and outstanding

As at April 30, 2021 the Company had 20,064,350 common shares issued and outstanding.

The Company did not issue any common shares during the three months ended July 31, 2021.

c. Stock options

During the year ended April 30, 2019 the Company adopted a stock option plan (the "Stock Option Plan") whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

The Company did not issue any stock options during the three months ended July 31, 2021.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2020 and April 30, 2021	2,000,000	\$ 0.10

As at July 31, 2021, outstanding stock options were as follows:

Grant Date	Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining contractual life (years)
May 24, 2018	1,500,000	\$ 0.10	May 24, 2028	6.82
October 25, 2018	500,000	0.10	October 25, 2028	7.24
Fully vested and exercisable, July 31, 2021	2,000,000	\$ 0.10		6.92

d. Agent warrants

On October 26th, 2020, all of the outstanding agent warrants expired.

There are no warrants outstanding as at July 31, 2021.

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Notes to the Consolidated Interim Financial Statements
For the three months ended July 31, 2021 and 2020

7. RELATED PARTY TRANSACTIONS

The Company has identified its directors and senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

On April 1, 2018, the Company entered into an administrative service and rent agreement with Brownlie Management Ltd., a private company owned by the President and CEO of the Company. The agreement was for office administrative services and office rent on a month-to-month basis in exchange for a monthly fee of \$500, plus taxes.

During the year ended April 30, 2021, the Company paid \$3,000 (2020 - \$5,500) pursuant to this agreement. The agreement was terminated by mutual consent effective October 31, 2020.

As at July 31, 2021, there are no amounts in accounts payable and accrued liabilities that are due to related parties.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant 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's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

As at July 31, 2021, the Company had cash on hand of \$732,519.

Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk

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

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Notes to the Consolidated Interim Financial Statements
For the three months ended July 31, 2021 and 2020

8. FINANCIAL INSTRUMENTS AND RISK MANAGAEMENT (cont'd)

(c) Price risk

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

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at July 31, 2021, the Company's shareholders' equity was \$980,289. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company currently is not subject to externally imposed capital requirements.

Cash on hand will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a qualifying transaction. Additional funds will be required to finance the Company's qualifying transaction.

10. SUBSEQUENT EVENTS

On September 28, 2021 the Company filed a CPC Filing Statement on SEDAR. Providing that all conditions noted in the Exchange's Conditional Acceptance have been satisfied then the Company will be in a position to close the Qualifying Transaction.