

ANTALIS VENTURES CORP.

**Financial Statements
As at January 31, 2020 and 2019
(Expressed in Canadian Dollars)**

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ANTALIS VENTURES CORP.

Opinion

We have audited the financial statements of Antalis Ventures Corp (the "Company"), which comprise:

- the statements of financial position as at January 31, 2020 and 2019;
- the statements of comprehensive loss for the year ended January 31, 2020 and the period from February 13, 2018 (incorporation) to January 31, 2019;
- the statements of changes in shareholders' equity for the year ended January 31, 2020 and the period from February 13, 2018 (incorporation) to January 31, 2019;
- the statements of cash flows for the year ended January 31, 2020 and the period from February 13, 2018 (incorporation) to January 31, 2019; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2020 and 2019, and its financial performance and cash flows for the year ended January 31, 2020 and the period from February 13, 2018 (incorporation) to January 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$52,649 during the year ended January 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate 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. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our 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 audits or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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.

The engagement partner on the audit resulting in this independent auditors' report Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 14, 2020

ANTALIS VENTURES CORP.
Statements of Financial Position
As at January 31, 2020 and 2019
(Expressed in Canadian Dollars)

As at January 31	2020	2019
Assets		
Current		
Cash	\$ 321,073	\$ 88,700
Deferred financing costs	-	11,250
Total Assets	\$ 321,073	\$ 99,950
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 84,697	\$ 42,141
Shareholders' Equity		
Common Shares (note 4)	275,584	105,000
Option Reserve (note 4)	60,632	-
Deficit	(99,840)	(47,191)
	236,376	57,809
Total Liabilities and Shareholders' Equity	\$ 321,073	\$ 99,950

Approved by on behalf of the Board:

John Greenslade (signed)
 Chief Executive Officer, Director

Rowland Wallenius (signed)
 Director

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

ANTALIS VENTURES CORP.**Statements of Comprehensive Loss****Year ended January 31, 2020 and 352-Day Period Ended January 31, 2019****(Expressed in Canadian Dollars)**

	Year Ended January 31, 2020	Incorporation February 13, 2018 to January 31, 2019
Operating Expenses		
Audit fees	\$ 7,750	\$ 5,250
Bank charges	127	50
Legal fees	-	41,891
Share-based payment (notes 4 and 5)	44,772	-
Net Loss and Comprehensive Loss	\$ 52,649	\$ 47,191
Basic and Diluted Loss per Share	\$ (0.08)	\$ -
Weighted Average Number of Common Shares Outstanding	642,740	-

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

ANTALIS VENTURES CORP.**Statements of Changes in Equity****Year Ended January 31, 2020 and 352-Day Period Ended January 31, 2019****(Expressed in Canadian Dollars)**

	Number of Outstanding Shares	Common Shares	Option Reserve	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$
Balance, February 13, 2018 (incorporation)	1	-	-	-	-
Common share cancelled (note 4)	(1)	-	-	-	-
Share issued for cash (note 4)	2,100,000	105,000	-	-	105,000
Net loss for period	-	-	-	(47,191)	(47,191)
Balance, January 31, 2019	2,100,000	105,000	-	(47,191)	57,809
Shares issued for cash (note 4)	3,000,000	300,000	-	-	300,000
Share issuance costs (note 4)	-	(129,416)	15,860	-	(113,556)
Share-based payment (notes 4 and 5)	-	-	44,772	-	44,772
Net loss for year	-	-	-	(52,649)	(52,649)
Balance, January 31, 2020	5,100,000	275,584	60,632	(99,840)	236,376

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

ANTALIS VENTURES CORP.**Statements of Cash Flows****Year Ended January 31, 2020 and 352-Day Period Ended January 31, 2019****(Expressed in Canadian Dollars)**

	Year Ended January 31, 2020	Incorporation February 13, 2018 to January 31, 2019
Cash Provided by (Used in)		
Operating Activities		
Net loss	\$ (52,649)	\$ (47,191)
Item not involving cash:		
Share-based payment	44,772	-
	(7,877)	(47,191)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	42,556	42,141
	34,679	(5,050)
Financing Activities		
Proceeds from the issuance of common shares, net share issuance costs	197,694	105,000
Deferred financing costs	-	(11,250)
	197,694	93,750
Inflow of Cash	232,373	88,700
Cash, Beginning of Year/Period	88,700	-
Cash, End of Year/Period	\$ 321,073	\$ 88,700

There were no cash investing activities during the year ended January 31, 2020 and the 352-day period ended January 31, 2019.

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

ANTALIS VENTURES CORP.
Notes to the Financial Statements
Year Ended January 31, 2020 and 352-Day Period Ended January 31, 2019
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Antalis Ventures Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on February 13, 2018 and is a capital pool company ("CPC"), as defined in TSX Venture Exchange ("TSX-V") Policy 2.4 ("Policy 2.4"). The Company has listed its common shares which are trading on the TSX-V under the symbol "ANTV.P".

The Company proposes to identify and evaluate companies, businesses, properties, or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval (the "Qualifying Transaction"). The Company has not commenced operations and has no assets other than cash.

The Company's registered office address is Suite 1700 - 666 Burrard Street, Vancouver, British Columbia, V6C 2X8.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company has not generated any revenues. During the year ended January 31, 2020, the Company incurred a net loss of \$52,649 (352-day period ended January 31, 2019 - \$47,191). The Company's continuing operations as intended are dependent upon the Company's ability to complete a Qualifying Transaction. Such an acquisition will be subject to shareholder and regulatory approval. In the case of a non-arm's length transaction (as defined in Policy 2.4) a majority of the minority shareholder approval must also be obtained. Should the Company fail to complete a Qualifying Transaction, its ability to raise sufficient financing to maintain operations may be impaired, and accordingly, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

ANTALIS VENTURES CORP.
Notes to the Financial Statements
Year Ended January 31, 2020 and 352-Day Period Ended January 31, 2019
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2. BASIS OF PRESENTATION (Continued)

(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on July 14, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in profit or loss. The Company classifies cash as fair value through profit or loss.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value less transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. There are no financial assets classified as measured at FVTOCI.

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Notes to the Financial Statements
Year Ended January 31, 2020 and 352-Day Period Ended January 31, 2019
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(i) Financial assets (Continued)

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method, net of any impairment allowance. There are no financial assets classified as measured at amortized cost.

(ii) Derecognition

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of operations.

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities and are classified as measured at amortized cost.

ANTALIS VENTURES CORP.
Notes to the Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and accounts payable and accrued liabilities. Their carrying values approximate the fair values due to short-term maturity of these instruments.

(b) Common shares

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(c) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

ANTALIS VENTURES CORP.
Notes to the Financial Statements
Year Ended January 31, 2020 and 352-Day Period Ended January 31, 2019
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Income taxes

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

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

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

(e) Share-based payment transactions

The Company records all share-based payments at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized through profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

Options and warrants issued as consideration in connection with common share placements are recorded at their fair value on the date of issuance as share issuance costs. On the exercise of stock options, agent options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to share-based payments reserve. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

ANTALIS VENTURES CORP.
Notes to the Financial Statements
Year Ended January 31, 2020 and 352-Day Period Ended January 31, 2019
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) New and amended standards adopted

IFRS 16, *Leases* ("IFRS 16"), is a new standard that sets out the principles for the recognition, measurement and disclosure of leases. This new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessors, IFRS 16 carries forward the lessor accounting requirements in IAS 17, *Leases*, with enhanced disclosure requirements that will provide information to the users of financial statements about a lessor's risk exposure, particularly to residual value risk. IFRS 16 was applicable to the Company as of February 1, 2019. The adoption of this standard did not have a material measurement or disclosure impact on the Company's financial statements as the Company has no leases.

(g) Use of estimates and judgments

The preparation of 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. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Share-based compensation

The Company accounts for share-based compensation at fair value at the grant date using the Black-Scholes option pricing model. The Company applies judgment in determining the estimated assumptions used in the Black-Scholes option pricing model, based on market conditions that existed at the grant date. The Company will reclassify equity reserve amounts to deficit on the expiry or forfeiture of share-based compensation.

ANTALIS VENTURES CORP.
Notes to the Financial Statements
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(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Use of estimates and judgments (Continued)

Income taxes

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

4. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

The Company has 5,100,000 common shares issued and outstanding at January 31, 2020.

On September 17, 2019, the Company filed a prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta and British Columbia and with the TSX-V, offering 3,000,000 common shares at \$0.10 per share as an initial public offering (the "Offering"). Pursuant to an Agency Agreement (the "Agreement") between the Company and Leede Jones Gable Inc. (the "Agent"), the Agent received a cash commission equal to 10% of the gross proceeds, a corporate finance fee of \$10,000, will also be reimbursed by for the Agent's expenses, including legal fees, incurred pursuant to the Offering.

On December 16, 2019, the Company completed the Offering of 3,000,000 common shares (the "Offered Shares") for gross proceeds to the Company of \$300,000. The above described commissions and fees totaling \$68,653 were paid from the gross proceeds of the Offering were classified as share issuance costs.

As part of the Agreement, the Agent received one non-transferable option to acquire up to 300,000 common shares at a price of \$0.10 per share for a period of 24 months from the date the Company's common shares were listed on the TSX-V (December 18, 2019), in consideration for its services as the Company's agent. The fair value of the agent options of \$15,860 was estimated using the Black-Scholes Pricing Model with the following assumptions: no expected dividends to be paid; volatility of 100% based on industry standard for comparable companies without a historical volatility; risk-free interest rate of 1.71%; and expected life of 2 years.

ANTALIS VENTURES CORP.
Notes to the Financial Statements
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4. SHAREHOLDERS' EQUITY (Continued)

(b) Issued and outstanding (Continued)

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

During the 352-day period ended January 31, 2019, the Company issued 1 incorporation common share which was subsequently cancelled. The Company issued 2,100,000 founders' common shares to be held in escrow following the Offering, issued for \$0.05 per share to officers and directors of the Company for total proceeds of \$105,000. These shares will be released pro rata to the shareholders as to 10% upon issuance of the Final Exchange Bulletin in accordance with Policy 2.4 and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These shares have been excluded from the calculation of loss per share during the year ended January 31, 2020 (Nil escrow shares) and the 352-day period ended January 31, 2019 (2,100,000 escrow shares).

(c) Stock options

As at January 31, 2020, the Company had the following stock options outstanding:

	Number of Stock options	Weighted average exercise price \$
Outstanding and Exercisable, February 13, 2018 (incorporation) and January 31, 2019	-	-
Issued – agent options	300,000	0.10
Issued – options	500,000	0.10
Outstanding and Exercisable, January 31, 2020	800,000	0.10

As at January 31, 2020, the weighted average remaining life of the stock options is 7 years (2019 – N/A).

The Company implemented an Incentive Stock Option Plan (the "Plan") on May 31, 2018. Pursuant to the Plan, the Company grants stock options to directors, officers, employees and consultants for services, provided that the number of common shares reserved for issuance shall not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 10 years. The exercise price and vesting terms of the options granted under the Plan will be determined by the Board of Directors.

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4. SHAREHOLDERS' EQUITY (Continued)

(c) Stock options (Continued)

Until the completion of Qualifying Transaction, options granted to a director or officer individually may not exceed 5% of the common shares outstanding as at the closing of the Offering; options granted to all technical consultants may not exceed 2% of the common shares outstanding as at the closing of the Offering. No options may be granted to investor relations service provider; and the exercise price cannot be less than the greater of the Offering share price and the Discounted Market Price.

On December 18, 2019, the Company granted incentive stock options to its directors and officers to acquire up to an aggregate of 500,000 shares with an exercise price of \$0.10 per share and expiry date of December 18, 2029. The fair value of the options was estimated using the Black-Scholes Pricing Model the following assumptions: no expected dividends to be paid; volatility of 100% based on industry standard for comparable companies without a historical volatility; risk-free interest rate of 1.69%; and expected life of 10 years. During the year ended January 31, 2020, the Company recognized \$44,772 (352-day period ended January 31, 2019 – Nil) of share-based payment expense.

5. RELATED PARTY TRANSACTIONS

During the year ended January 31, 2020, share-based compensation for stock options of \$44,772 (352-day period ended January 31, 2019 – Nil) were granted to officers and directors of the Company (note 4). There was no other remuneration paid to key management personnel during the year.

6. INCOME TAXES

The following table reconciles the amount of income tax expense on application of the combined statutory Canadian federal and provincial income tax rates:

	Year Ended January 31, 2020	Incorporation February 13, 2018 to January 31, 2019
Net loss for the period	\$ (52,649)	\$ (47,191)
Statutory rate	27%	27%
Income tax recovery at statutory rate	(14,215)	(12,742)
Items not deductible for tax purposes	12,088	-
Temporary differences	(6,132)	-
Benefit of tax losses not recognized	8,259	12,742
Income tax expense	\$ -	\$ -

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate future taxable income to be able to utilize those tax assets. At January 31, 2020, the Company has not recognized the benefit of share issuance costs of \$91,000 and non-capital loss carry forward of \$78,000. The non-capital losses expire in 2039 to 2040.

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Notes to the Financial Statements
Year Ended January 31, 2020 and 352-Day Period Ended January 31, 2019
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7. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at January 31, 2020, the Company has cash of \$321,073 (January 31, 2019 - \$88,700) available to apply against short-term business requirements and current liabilities of \$84,697 (January 31, 2019 - \$42,141). All of the liabilities presented as accounts payable and accrued liabilities are expected to be paid before the year end of January 31, 2021.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

8. CAPITAL MANAGEMENT

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

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. There have been no changes to the Company's approach to capital management during the year ended January 31, 2020.

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

9. SUBSEQUENT EVENT

Subsequent to January 31, 2020, significant declines in the stock market have occurred for various reasons linked to the COVID-19 global pandemic. The impacts to the Company are not determinable at this date, however these could be material to the Company's ability to raise new capital and thus the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.