ROYAL WINS CORPORATION

(Formerly 10557510 CANADA CORP.)

Unaudited Interim Financial Statements

For the three months ended

March 31, 2021 and 2020

(Stated in $CAD)

NOTICE OF REFILING OF INTERIM FINANCIAL STATEMENTS

(Dated June 28, 2021)

The accompanying unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, management. The unaudited interim financial statements have been reviewed by the Company's auditors. These amended financial statements replace and supercede the financial statements previously filed on May 28, 2021, and have been changed to reflect certain adjustments arising subsequent to initial filing, as follows:

1) The Statement of Net Loss and Comprehensive Loss for the three month period ended March 31, 2021 has been amended to increase the net loss by $4,897 from $184,113 to $189,010, reflecting the following major changes:

    a) Share based compensation increased by $42,288 with a corresponding increase to the options balance reflected in the Statement of Shareholders' Equity
    b) Financing costs decreased by $38,915 with the corresponding change reflected on the Statement of Financial Position as an increase in prepaid expenses
    c) Other smaller changes that increased professional fees by $1,524

2) The subsequent event disclosure in note 16(iii) has been updated to reflect extended terms with respect to subscription receipts held in trust as of March 31, 2021, and the subsequent return to subscribers of subscription receipts totalling $524,500

ROYAL WINS CORPORATION
(Formerly 10557510 CANADA CORP.)
Statement of Financial Position
(Stated in $CAD)

As at		Mar 31, 2021		Dec 31, 2020
ASSETS				
Current:				
Cash	$	**707,234**	$	592,267
Trust account (Note 5.2.d)		**3,891,500**		-
Loan to Royal Wins Pty Ltd (Note 10)		**685,000**		275,000
Prepaid fees (Note 9)		**38,915**		-
Accounts receivable (Note 9)		**34,970**		75,068
Total current assets		**5,357,619**		942,335
Non current:				
Royal Wins Pty Ltd. LOI (Note 4)		**1**		1
	$	**5,357,620**	$	942,336
LIABILITIES				
Current:				
Accounts payable and accrued liabilities (Note 11)	$	**43,257**	$	27,432
Subscription receipts (Note 5.2d)		**3,891,500**		-
		3,934,757		27,432
Non current:				
Government loan (Note 12)		**30,000**		30,000
		3,964,757		57,432
SHAREHOLDERS' EQUITY				
Common shares (Note 5)		**1,417,373**		945,818
Warrants (Note 5)		**259,659**		118,931
Share based compensation (Note 5)		**292,709**		208,023
Accumulated deficit		**(576,878)**		(387,868)
		1,392,863		884,904
	$	**5,357,620**	$	942,336

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

Approved on behalf of the Board:

"Peter Gan" Director

"Stephen Coates" Director

ROYAL WINS CORPORATION

(Formerly 10557510 CANADA CORP.)

Statement of Net Loss and Comprehensive Loss

(Stated in $CAD)

		Three months ended		
		Mar 31, 2021		Mar 31, 2020
Administrative expenses				
Management fees (Note 13)	$	**21,750**	$	5,500
Consulting fees		**5,132**		-
Professional fees (Note 13)		**66,426**		1,539
Regulatory expenses		**7,654**		960
Share based compensation (Note 5)		**84,686**		-
Rent		**3,000**		-
Office and general		**362**		245
Total administrative expenses		**189,010**		8,244
Net loss and comprehensive loss	$	**(189,010)**	$	(8,244)
Basic and diluted loss per share (Note 6)	$	**(0.008)**	$	(0.002)

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

ROYAL WINS CORPORATION

(Formerly 10557510 CANADA CORP.)

Statement of Changes in Equity

(Stated in $CAD)

	Common shares				Accumulated deficit	Total
	No. of shares	Amount	Warrants	Options		
		$	$	$	$	$
As at December 31, 2019	4,999,992	1	-	-	(89,838)	(89,837)
Net loss and comprehensive loss for period					(8,244)	(8,244)
As at March 31, 2020	**4,999,992**	**1**	**-**	**-**	**(98,082)**	**(98,081)**
Issuance of common shares for debt settlement (Note 5)	3,974,772	39,748	-	-	-	39,748
Issuance of common shares for cash (Note 5)	13,666,666	1,025,000	-	-	-	1,025,000
Allocation of warrants issued	-	(118,931)	118,931	-	-	-
Share based compensation	-	-	-	208,023	-	208,023
Net loss and comprehensive loss for the period	-	-	-	-	(289,786)	(289,786)
As at December 31, 2020	**22,641,430**	**945,818**	**118,931**	**208,023**	**(387,868)**	**884,904**
Issuance of common shares for cash (Note 5)	2,212,332	663,699	-	-	-	663,699
Less cash commissions and finders' fees		(51,416)	-	-	-	(51,416)
Allocation of brokers warrants issued	-	(16,732)	16,732	-	-	-
Allocation of warrants issued	-	(123,996)	123,996	-	-	-
Share based compensation	-	-	-	84,686	-	84,686
Net loss and comprehensive loss for the period	-	-	-	-	(189,010)	(189,010)
As at March 31, 2021	**24,853,762**	**1,417,373**	**259,659**	**292,709**	**(576,878)**	**1,392,863**

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

ROYAL WINS CORPORATION

(Formerly 10557510 CANADA CORP.)

Statement of Cash Flows

(Stated in $CAD)

		Three months ended		
		Mar 31, 2021		**Mar 31, 2020**
Operating activities				
Net Loss for period	$	**(189,010)**	$	(8,244)
Adjustment to reconcile net loss to cash flow from operating activities:				
Share based compensation (Note 5)		**84,686**		-
Interest expense (Note 13)		**-**		206
Change in non-cash working capital items				
Trust liability (Note 5.2d)		**(3,891,500)**		-
Accounts receivable (Note 9)		**40,098**		(1,430)
Prepaid fees (Note 9)		**(38,915)**		
Accounts payable and accrued liability		**15,825**		9,429
		(3,978,816)		(39)
Financing activities				
Issuance of common shares		**612,283**		-
Subscription receipts (Note 5.2.d)		**3,891,500**		-
		4,503,783		-
Investing activities				
Loan to Royal Wins Pty Ltd (Note 10)		**(410,000)**		-
		(410,000)		-
Increase in cash		**114,967**		(39)
Cash, beginning of period		**592,267**		1,687
Cash, end of period	$	**707,234**	$	1,648

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

1. NATURE OF OPERATIONS AND GOING CONCERN

(a) Nature of operations

Royal Wins Corporation (formerly "10557510" Canada Corp.") (the "Company" or "RWC") was incorporated on December 27, 2017 under the Canada Business Corporations Act with its head office located at 401 Bay Street, Suite #2704, Toronto, Ontario, Canada, M5H 2Y4. The Company, as a reporting issuer in the provinces of British Columbia, Alberta and Manitoba, is subject to the rules and regulations of the relative provincial securities commissions, but its shares do not trade on any stock exchange.

As of March 31, 2021, the Company had no active business operations and its principal purpose is the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction such that the Company's shares can be approved for listing and trading on a recognized Canadian stock exchange. Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability obtain additional financing. There is no assurance that the Company will be able to complete a Qualifying Transaction or that it will be able to secure the necessary financing to complete a Qualifying Transaction.

Under the terms of a Plan of Arrangement approved by the Ontario Superior Court of Justice on March 26, 2018, the Company acquired substantially all the rights and interests in a Letter of Intent ("LOI") between Telferscot Resources Inc. ("Telferscot") and Canada Crypto Exchange Corp. ("CCEC") *(see note 4)*. As consideration for acquisition of this LOI, RWC issued 2,499,996 common shares to Telferscot, which were then distributed to the current shareholders of Telferscot pro-rata based on their relative shareholdings of Telferscot. The Company later rescinded the LOI with CCEC and has since signed a new LOI with Royal Wins Pty. Ltd. ("RWPL") *(see note 4)*.

(b) Going concern

The accompanying unaudited interim financial statements have been prepared using International Financial Reporting Standards applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.. It would, in this situation, be requiredto realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

1. **NATURE OF OPERATIONS AND GOING CONCERN, CONTINUED**

As at March 31, 2021, the Company has no source of operating cash flow and had an accumulated deficit of $576,878 (December 31, 2020 - $387,868). Net comprehensive loss for the three months ended March 31, 2021, was $189,010 (2020 - $8,244). The Company also had a working capital of $1,422,862 as at March 31, 2021 (December 31, 2020 - $914,903). These conditions raise material uncertainties which may cast significant doubt as to whether the Company will be able to continue as a going concern.

These financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern, namely its ability to generate sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period, is dependent upon its ability to arrange future financing, which is largely dependent upon prevailing capital market conditions and continued support of its shareholder base and completion of the listing application (*see note 5.2.d*). These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

2. **SIGNIFICANT ACCOUNTING POLICIES**

(a) **Statement of compliance**

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

The policies applied in these financial statements are based on the IFRS issued and outstandingas of June 28, 2021, the date the Board of Directors approved the Financial Statements.

(b) **Basis of measurement**

The financial statements have been prepared on a historical cost basis, with the exception of certain financial assets and liabilities which are measured at fair-value, as explained in the accounting policies.

(c) **Functional and presentation currency**

The financial statements are presented in Canadian dollars, which is also the functional currency of the corporate offices located in Canada.

(d) **Cash**

Cash consists of deposits held with banks.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(e) **Accounts receivable**

Accounts receivable consist primarily of recoverable HST ITCs and common share subscriptions.

(f) **Accounts payable and accrued liabilities**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period end. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(g) **Share capital**

Common shares issued in exchange for goods and services are recorded at an amount based on the fair market value of the common shares just prior to the date of issuance. Common shares issued in private placements, in conjunction with common share purchase warrants, are recorded using the residual method, whereby the proceeds of the private placement are allocated first to the common shares at the lesser of the common share's fair value and the gross proceeds of the private placement, with any residual amounts then being allocated to the common share purchase warrants. Share issuance expenses are applied against share capital.

(h) **Share-based payments**

The fair value of any share-based payment granted to directors, officers, employees and consultants is recorded over the vesting period of the award as an expense or a component of exploration and evaluation assets or property, plant and equipment based on the nature of the services for which it was awarded with a corresponding increase recorded to contributed surplus. Share-based payments for directors, officers and employees are valued at the grant date whereas consultants' share-based payments are valued as the goods and services are received from the recipient. If the fair value of the goods and services received cannot be estimated reliably the Black-Scholes pricing model is used. Fair value of share options for directors, officers and employees is determined using the Black-Scholes option pricing model utilizing management's assumptions as described in note 5. Fair value of share-based payments for consultants is determined based on the fair value of the goods and services received and requires management to make estimates of the value of the goods and services received. Upon exercise of a share option, consideration paid by the share option together with the amount previously recognized in reserve for share-based payments is recorded as an increase to share capital.

(i) **Government grants and assistance**

Grants and subsidies are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Company will comply with all the attached conditions. Fair Value signifies the amount received in cash. The grants and subsidies are presented as 'other income' in operations.

2. **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

(j) **Income taxes**

The Company follows the asset and liability method of accounting for income taxes. Income tax is recognized in profit or loss except to the extent it relates to items recognized in equity, in which case the income tax is also recognized in equity. Current tax assets and liabilities are recognized at the amount expected to be paid or received from tax authorities using rates enacted or substantively enacted at the date of the statement of financial position.

Deferred tax is accounted for using the liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases.

A deferred tax liability is recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred income tax asset is recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and losses can be utilized, except where the deferred income tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantively enacted at the statement of financial position date. Deferred tax assets andliabilities are offset when they relate to income taxes levied by the same taxation authority and theCompany intends to settle its current tax assets and liabilities on a net basis.

(k) **Loss per share**

Basic loss per share amounts are calculated by dividing net loss for the reporting period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted loss per share amounts are calculated by dividing the net earnings attributable to common shareholders by the weighted average number of shares outstanding during the reporting period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into common shares. Diluted loss per share amounts are not presented if anti-dilutive.

2. **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

(l) **Critical accounting estimates and judgements**

The preparation of these Financial Statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Company's reported amounts of assets, liabilities, revenues and other items in net earnings, and the related disclosure of contingent assets and liabilities, if any. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Companybelieves are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and other items in net earnings that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statement are discussed below:

Going concern

The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its working capital requirements.

Use of estimates

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. Significant estimates include the valuation of share options and warrants using the Black-Scholes pricing model (*see note 5*), measurement of shares issued for non-cash considerations (*see note 5*), and the valuation of loans receivable (*see note 4*).

(m) **Financial instruments**

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized costat each subsequent reporting period. All other financial assets are measure at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financialasset or financial liability classified as subsequently measured at amortized cost are includedin the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consist of cash, trust account, accounts receivable and loan to RWPL, which are classified and subsequently measured at amortized cost. The Company's financial liabilities consist of accounts payable and accrued liabilities, subscription receipts and government loan which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair value

The determination of the fair value of financial assets and liabilities, for which there is no observable market price, requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective as such it requires varying degrees of judgment. The use of judgment in valuing financial instruments includes assessing qualitative factors such on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the particular instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs derived either directly or indirectly from market prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted market prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Effective interest method

The effective interest method calculates the amortized cost of a financial instrument asset or liability and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset or liability, or where appropriate, a shorter period. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

3. RECENTLY ADOPTED AND RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As at the date of authorization of these unaudited interim condensed consolidated financial statements, the IASB has issued the following new or revised standards which are not yet effective:

(a) IFRS 16, "Leases"

This standard has been amended to provide lessees with an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. This amendment is effective for annual periods beginning on or after June 1, 2020. At this time, the Company has not received rent concessions related to COVID-19 and therefore, this amendment is not expected to have a significant impact on the unaudited interim financial statements.

4. LETTERS OF INTENT

CANADA CRYPTO EXCHANGE CORP.

Under the terms of a Plan of Arrangement approved by the Ontario Superior Court of Justice on March 26, 2018*,* the Company acquired substantially all the rights and interests in a Letter of Intent ("LOI") between Telferscot and CCEC, and accordingly will assume the position of Telferscot with respect to the LOI. As consideration for its acquisition, RWC issued 2,499,996 common shares to Telferscot, which were distributed to the current shareholders of Telferscot pro-rata based on their relative shareholdings of Telferscot *(see note 5.2.b)*. The LOI has been assigned a nominal value of $1.

Telferscot had signed an LOI to acquire CCEC, parent company of CCX, a Canadian-based crypto currency exchange platform. CCEC has developed its exchange platform in partnership with ACX Tech Pty. Ltd of Perth, Australia and Blockchain Global Ltd. of Melbourne, Australia. The LOI with CCEC provides for a 180-day exclusive period of cooperation between Telferscot and CCEC to negotiate terms of the acquisition, launch the CCX platform in Canada and secure the necessary funding for development and marketing of the CCEC business plan.

On July 2, 2020, the Company informed CCEC that it no longer wanted to proceed with the project and has since rescinded the LOI.

4. **LETTERS OF INTENT, CONTINUED**

ROYAL WINS PTY LTD.

On July 2, 2020, the Company signed a letter of intent with Royal Wins Pty Ltd. ("RWPL"). The letter of intent ("RW LOI") sets the terms for a proposed acquisition by the Company of RWPL and subsequent listing on the Canadian Securities Exchange.

RWPL is a digital games studio that develops real money skill and chance social games on the web, desktop and mobile devices. The company was founded in 2014 as an advanced deep-technology research and development company (3D technologies, artificial intelligence, NLP and smart data). The company is based in Sydney, Australia and Guangzhou, China and focuses on online and mobile wagering markets.

Pursuant to the terms of the RW LOI, the Company shall, on April 1, 2021, acquire one hundred per cent (100%) of the outstanding Ordinary and Preference shares (including all classes of such shares which may be validly issued and outstanding as at the date of the RW LOI) of RWPL through an all stock purchase transaction by the Company, by which RWPL will become a wholly-owned subsidiary of the Company (*see notes 5 and 16*).

	March 31, 2021	**December 31, 2020**
	$	**$**
Royal Wins Pty Ltd. LOI	1	1

On March 1, 2021, the Company announced that it has executed a takeover implementation deed and formally lodged an offer (the "Offer") to acquire all issued and outstanding shares of Royal Wins Pty Ltd ("RWPL"). The Company filed its Bidder's Statement detailing the terms of the offer with the Australian Securities and Investments Commission ("ASIC") and subsequently mailed the required documentation to all shareholders of RWPL on February 26, 2021.

Key Acquisition Details:

The acquisition of RWPL closed on April 1, 2021. Under the terms of the Offer, the Company will acquire 100% of the common shares of RWPL for consideration of up to 75,517,445 common shares of the Company, valuing RWPL at $22.6 million (AUD $23 million) on the basis of one-half of one common share of RWC for each ordinary share of RWPL outstanding under the terms of its previously announced take-over offer.

On the closing of the Offer, the Company issued 71,042,650 common shares to the former shareholders of RWPL who tendered to the offer. This represented 94.07% of the total issued and outstandingshares of RWPL and as such, the Company will commence the process of compulsory acquisition in Australia which, on completion, will result in RWPL being a wholly owned subsidiary of RWC. A further 4,474,761 common shareshave been reserved to be issued following the compulsory acquisition of remaining RWPL shares (*see note 16*).

4. **LETTERS OF INTENT, CONTINUED**

As part of the acquisition, the Company has agreed to increase the Board of Directors to five members (from the current four members). Further, two of the Company's current directors have agreed to step down to allow RWPL to nominate a total of three directors to join the remaining two current directors of the Board.

At the meeting of the Company's shareholders held on January 12, 2021, the Company received the necessary approvals to change the Company's name (effected on March 25, 2021), and to split the common shares of the Company on a basis of 2 new common shares for each issued and outstanding old common share. This split of shares was completed and announced on February 26, 2021, following a record date of February 24, 2021.

5. **SHARE CAPITAL**

1) Authorized

The Company is authorized to issue an unlimited number of common shares and an unlimited number of first preferred shares issuable in series by the directors. The common shares are without nominal or par value and may carry rights, privileges, priorities, limitations, conditions and restrictions according to the class their issued at including receiving dividends and voting rights.

The first preferred shares shall be entitled to preference over the common shares of the Company and over any other shares of the Company ranking junior to the first preferred shares with respectto payment of dividends and return of capital and in the distribution of assets in the event of liquidation, dissolution or wind-up of the Company.

5. **SHARE CAPITAL, CONTINUED**

2) Issued and outstanding

Continuity schedules for the Company's share capital and other equity instruments are disclosed in the statements of changes in equity for the periods ended March 31, 2021 and 2020. The equity transactions in these periods are detailed below:

a. On June 30, 2020, the Company executed shares for debt settlement transactions in the amount of $39,748 owed to related parties. 3,974,772 shares were issued at a price of $0.01 per share (*see also note 13*).

b. On October 30, 2020, the Company closed the first tranche of a private placement ofunits at the purchase price of $0.075 for each unit purchased. Each unit consists of one common share and one-half common share purchase warrant. Each full warrant entitles the holder to purchase 1 common share at a price of $0.10 up to twelve months from closing. The total proceeds of the first tranche amountedto $280,000, which consisted of 3,733,328 common shares and 1,866,664 warrants. On December 11, 2020, the Company closed the second tranche of the private placementfor total proceeds of $745,000. In total, the proceeds of the first and second tranches amountedto $1,025,000, resulting in the issuance of 13,666,668 common shares and 6,833,334 warrants.

c. On February 24, 2021, the common shares of the Company were split on a basis of 2 new common shares for each issued and outstanding old common share. All common shares, per common share amounts, stock options and warrants in these financial statements have been retroactively restated to reflect this share split.

d. On March 5, 2021, a private placement of units of the Company at a price of $0.30 per Unit was completed for aggregate gross proceeds of $4,555,200, which was closed in two tranches. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one additional common share at an exercise price of $0.40 for a period of 24 months following the closing dates of the offering, provided that if the 20-day volume-weighted average price of the common shares on the Company's primary stock exchange is greater than $0.60 per common share, the Company can deliver a notice and accelerate the expiry date of the warrants to the date that is 30 days afterthe date on which such notice of acceleration is provided. The first tranche closed on February 26, 2021 with the issuance of 2,212,332 units for aggregate gross proceeds of $663,699. The first tranche was completed as an equity offering. The second tranche closed on March 5, 2021 with the issuance of 12,971,665 units for aggregate gross proceeds of $3,891,500.The second tranche of the offering was completed as Subscription Receipts, the proceeds of which will be held in escrow in a trust account pending (i) completion of the acquisition of not lessthan 90% of the issued and outstanding ordinary shares of RWPL, and (ii) receipt of approvals to list for trading on the Canadian Securities Exchange (the "CSE"), subject to an outside release date of the escrowed funds of May 31, 2021. Finder's fees totalling $318,864 and1,062,880 broker warrants have been, or will be, paid in relation to the offering. Each broker warrant will allow the broker to purchase one common share of the Company at $0.40 for aperiod of 24 months from the dates of the closing.

3) Warrants

A summary of warrant activity is as follows:

	No. of warrants		Weighted average exercise price
Balance, December 31, 2019	-		-
Issued on October 30, 2020	1,866,663	$	0.10
Issued on December 11, 2020	4,966,670	$	0.10
Balance, December 31, 2020	**6,833,333**	**$**	**0.10**
Issued on February 26, 2021	1,106,116	$	0.40
Issued on February 26, 2021 (1)	149,263	$	0.40
Balance, March 31, 2021	**8,088,712**	**$**	**0.15**

The outstanding issued warrants balance at March 31, 2021, is comprised of the following:

Date of expiry	Type	Number	Weighted average exercise price	Weighted average years remaining	Fair value
			$	Years	$
October 30, 2021	Warrants	1,866,663	0.10	0.58	32,488
December 11, 2021	Warrants	4,966,670	0.10	0.70	86,443
February 26, 2022	Warrants	1,106,116	0.40	0.91	123,996
February 26, 2023	Broker warrants	149,263	0.40	1.91	16,732
		8,088,712	**0.15**	**0.72**	**259,659**

5. **SHARE CAPITAL, CONTINUED**

The fair value of warrants was estimated on the date of issuance using the Black-Scholes model. The following assumptions were used:

Warrants issued on		**Oct 30, 2020**		**Dec 11, 2020**		**Feb 26, 2021**		**Feb 26, 2021 (1)**
Number of warrants issued		1,866,663		4,966,670		1,106,116		149,263
Weighted average information:								
Stock price	$	0.066	$	0.066	$	0.265	$	0.265
Exercise price	$	0.100	$	0.100	$	0.400	$	0.400
Expected life (years)		1.0		1.0		1.0		2.0
Expected volatility		100%		100%		100%		100%
Discount rate		0.25%		0.25%		0.39%		0.39%
Expected dividends		Nil		Nil		Nil		Nil
Fair value	**$**	**32,488**	**$**	**86,443**	**$**	**123,996**	**$**	**16,732**

(1) Brokers' warrants

4) Share-based payments

The Company has a stock option plan pursuant to which options to purchase common shares may be granted to executive officers, directors, employees and consultants. The plan allows for the issuance of up to 10% of the issued and outstanding common shares.

On December 15, 2020, the Company issued 4,000,000 stock options to directors and officers of the Company. The options carry an exercise price of $0.075 per share for a period of up to 5 years from the issuance date. The options shall be vested upon issuance. The fair value of the options was estimated on the date of grant using the Black-Scholes model at $191,456.

Additionally, on December 15, 2020, the Company issued 5,500,000 stock options to consultants of the Company. The options carry an exercise price of $0.075 per share for a period of up to 2 years from the issuance date. The options shall be subject to a vesting period of 12 months whereby25% of the options vest on March 15, 2021, 25% on June 15, 2021, 25% on September 15, 2021 and 25% on December 15, 2021. The fair value of the options was estimated on the date of grant using the Black-Scholes model at $179,215.

5. **SHARE CAPITAL, CONTINUED**

A continuity of the outstanding options to purchase common shares is as follows:

	Weighted average exercise price	Number of options
	$	
Outstanding at December 31, 2019	0.025	2,000,000
Transactions during the year ended December 31, 2020		
Granted	0.075	9,500,000
Expired	-	-
Forfeited	-	-
Outstanding at December 31, 2020 and March 31, 2021	0.067	11,500,000

The following table provides additional information about outstanding stock options as at March 31, 2021:

Expiry date	Number outstanding	Weighted average exercise price	Weighted average years remaining	Fair value (vested)
		$		$
July 5, 2021	2,000,000	0.025	0.26	2,600
December 15, 2022	5,500,000	0.075	1.71	98,653
December 15, 2025	4,000,000	0.075	4.71	191,456
	11,500,000	0.067	2.50	292,709

5. **SHARE CAPITAL, CONTINUED**

The fair value of stock options was estimated on the date of grant using the Black-Scholes model. Thefollowing assumptions were used:

	Options issued in 2018 $	Options issued in 2020 $	Options issued in 2020 $
Number of options issued	2,000,000	5,500,000	4,000,000
Weighted average information:			
Stock price	$ 0.003	$ 0.066	$ 0.066
Exercise price	$ 0.025	$ 0.075	$ 0.075
Expected life (years)	3	2	5
Expected volatility	150%	100%	100%
Discount rate	2.13%	0.25%	0.39%
Vesting	0%	56%	100%
Expected dividends	Nil	Nil	Nil
Fair value (total)	$ 2,600	$ 179,215	$ 191,456

6. **LOSS PER SHARE**

The following table sets forth the computation of basic and diluted loss per share:

	Three months ended Mar 31, 2021	Three months ended Mar 31, 2020
Numerator:		
Loss for the period	$ 189,010	8,244
Denominator:		
Weighted average number of common shares (1)	23,452,620	4,999,992
Basic and diluted loss per share	$ **(0.008)**	**(0.002)**

As at March 31, 2021, the following potentially dilutive equity instruments were outstanding: 11,500,000 stock options (December 31, 2020 – 11,500,000) and 8,088,712 warrants (December 31, 2020 – 6,833,333). The outstanding stock options and warrants were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

7. FINANCIAL RISK FACTORS

The Company's financial instruments consist of cash, accounts receivable, loan to RWPL, accounts payable and accrued liabilities, subscription receipts liability and government loan. These amounts are recognized initially at fair value and subsequently measured at amortized cost. The fair value of these amounts approximates their carrying value due to their demand or short-term nature.

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

a. Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable, which consists of refundable HST ITCs. As at March 31, 2021,the Company has a cash balance of $707,234 (December 31, 2020 - $592,267), which was held with reputable financial institutions from which management believes the risk of loss to be minimal.

b. Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost *(see note 1).* The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had a working capital of $1,422,862 (December 31, 2020 - $914,903). All of the Company's financial liabilities, with the exception of the non-current government loan, have contractual maturities of less than 90 days and are subjectto normal trade terms.

8. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to maintain head office corporate and administrative functions. The Company considers its capital to be its shareholders' equity. The Company manages its capital structure in an effort to provide sufficient funding for its development projects. Funds are primarily secured through equity capital raised by way of private placements and exercise of warrants and/or stock options.

There can be no assurances that the Company will be able to continue raising equity capital in this manner. The Company's Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2021 and 2020. The Company is not subject to externally imposed capital requirements.

9. ACCOUNTS RECEIVABLE AND PREPAIDS

The Company's accounts receivable includes harmonized services tax ("HST") recoverable from the Canadian government taxation authorities of $34,970 (December 31, 2020 - $15,117), and subscription receipts of $Nil (December 31, 2020 - $59,951). Prepaid fees regarding financing costs amounted to $38,915 (December 31, 2020 - $Nil).

10. LOAN TO ROYAL WINS PTY LTD.

As per the terms of the RW LOI, the Company agreed to provide RWPL with monthly financing until the completion of a public listing. As at March 31, 2021, total advances amounted to $685,000 (December 31, 2020 - $275,000). The loan is unsecured, non-interest bearing and will be eliminated on completion of the acquisition of RWPL (*see note 16*).

11. ACCOUNTS PAYABLE AND ACCRUED LIABILTIES

The Company's accounts payable and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to operating and financing activities.

The following is an analysis of the trade payables and accrued liabilities balances as at March 31, 2021 and December 31, 2020:

	March 31, 2021 $	December 31, 2020 $
Professional fees	37,497	-
Regulatory expenses	3,760	701
Accrued liabilities	2,000	26,731
Accounts payable and accrued liabilities	43,257	27,432

12. CANADA EMERGENCY BUSINESS ACCOUNT

During September 2020, the Company received a loan of $40,000 as part of the Canada Emergency Business Account ("CEBA") extended by the Canadian government. The loan is interest free until December 31, 2022, and $10,000 (or 25%) of the $40,000 loan is eligible for complete forgiveness if $30,000 is fully repaid on or before December 31, 2022. In 2020 Q4, the Company recognized 'other income' in operations of $10,000 associated with this loan. If the loan is not repaid by December 31, 2022, it will be converted to a 3-year term loan bearing interest of 5% per annum.

13. RELATED PARTY TRANSACTIONS

As of November 2020, the Company was billed a monthly fee of $7,250 (plus applicable HST) by a company controlled by a director for management and administrative services, including the corporate secretary, the services of the CFO and regular administrative functions. The Company was also billed $1,000 per month towards office rent. During the three months ended March 31, 2021, the Company incurred total fees of $21,750 and $3,000 for rent (2020 – $5,500 and $Nil respectively). In March 2020, the related party agreed to waive all management and accounting fees during the COVID-19 pandemic as of March 1, 2020 for a period of eight months (*see note 15*).

The Company was also billed a monthly fee of $5,000 (plus applicable HST) for the first two months by a company controlled by a director for financial advisory services (*see note 14*). During the three months ended March 31, 2021, the total fees amounted to $10,000 (2020 - $Nil). Additionally, the Company was billed $45,551 by a company controlled by a director towards financing costs associated with the two private placements in February and March of 2021.

On December 15, 2020, the Company granted 1,000,000 stock options to a company controlled by a director of the Company, 100,000 to an officer of the Company and 100,000 to a director of the Company. These options are exercisable at $0.075 each for a period of up to 5 years from the date of issuance. The total fair value of the options was estimated to be $57,437.

On June 30, 2020, the Company issued Bolingbroke Investments Inc. ("BII"), a company controlled by a director, 2,911,652 shares at a price of $0.01 for a total amount of $29,117 towards full settlement of a loan amount. Furthermore, the Company issued Grove Corporate Services Ltd. 1,063,120 shares at a price of $0.01 for a total amount of $10,631 as partial settlement of their accrued management fees.

As at March 31, 2021, there were no accounts payable or accrued liabilities in respect of management fees, advisory fees and reimbursable regulatory expenses due to related parties (December 31, 2020 - $Nil).

14. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company signed a consulting contract, on July 1, 2018, with a company controlled by a director and officer to provide capital market advice including financing management and to assist in the process of successful public listing. The duration of this contract is guaranteed for an initial term of 6 months and will continue on a monthly basis thereafter until such time as this contract is terminated. Following the initial 6 months term, of which services are provided at no cost to the Company, a monthly consulting fee in the amount of $5,000 will apply. The Company will also pay a finders' fee of up to 5% of funds raised for the company. The consultant will be entitled to receive stock options on common shares of the Company subject to the approval of the Board of Directors.

15. **COVID-19**

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

In March 2020, the Company provided a notice to Grove Corporate Services Ltd. informing them that the Company will not be able to continue to pay for the management and accounting fees during the COVID-19 pandemic. Subsequently Grove agreed to waive all management and accounting fees as of March 1, 2020 for a period of eight months (*see note 13*).

16. **SUBSEQUENT EVENTS**

The acquisition of RWPL, completed after period-end on April 1, 2021, resulted in the issuance of a further 71,042,650 common shares of the Company (*see note 4)*.

On April 13, 2021, the Company announced that it has filed a preliminary non-offering prospectus with the Ontario Securities Commission ("OSC"). The prospectus is being filed in accordance with the provisions of the Canadian National Instrument 41-101 – General Prospectus Requirements to qualify the distribution of the Company's common shares in Canada. No new securities are being offered with the filing of the prospectus. Upon the issuance of a receipt for the filing of the prospectus, RWPL intends to apply to list its common shares on the Canadian Securities Exchange (the "CSE"). Final acceptance of the prospectus and the listing will be subject to review and approval of the OSC and the CSE, respectively.

As of the date of issuance of these financial statements:

(i) The Company is still working with the OSC for final acceptance of the prospectus
(ii) Any listing is still subject to review and approval of the OSC and the CSE, respectively
(iii) Management had to seek agreement from subscribers of Subscription Receipts to extend the retention of the proceeds of said Subscription Receipts in escrow beyond the original outside release date of May 31, 2021 (*see note 5.2.d*). Failure to retain such agreement from any holder would require refund of the subscription amount to such holder.

Of the original $3,891,500 subscribed for, certain investors requested refund of their subscriptions totalling $524,500. Holders of the remaining $3,367,000 agreed to extend the outside release date from May 31, 2021 to July 15, 2021.