

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Methes Energies International Ltd

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Las Vegas, Nevada, 89107

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SIC CODE: 2860

Quarterly Report
For the Period Ending: August 31, 2021
(the "Reporting Period")

As of 23 September, 2021, the number of shares outstanding of our Common Stock was: 74,294,648.

As of August 31, 2021, (current reporting period) the number of shares outstanding of our Common Stock was: 74,294,648.

As of May 31, 2021 (prior quarter) the number of shares outstanding of our Common Stock was: 74,294,648

As of November 30, 2020, (most recent completed fiscal year) the number of shares outstanding of our Common Stock was: 74,294,648.

As of 24 September, 2021, the number of shares outstanding of our Preferred Stock was: 9,811,822.

As of August 31, 2021, (current reporting period) the number of shares outstanding of our Preferred Stock was: 9,811,822.

As of May 31, 2021 (prior quarter) the number of shares outstanding of our Preferred Stock was: 9,811,822.

As of November 30, 2020, (most recent completed fiscal year) the number of shares outstanding of our Preferred Stock was: 9,811,822.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: X No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No: X

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No: ☒ X

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Methes Energies International Ltd. (October 11, 2007 to present)
Global Biodiesel Ltd. (June 27, 2007 to October 11, 2007)

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

State of Nevada / in Good Standing / Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

304 S. Jones Blvd, Suite 8062, Las Vegas, Nevada, 89107

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒ X

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No: ☒ X

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

2) Security Information

Trading symbol:	MEIL	
Exact title and class of securities outstanding:	COM (Common Stock)	
CUSIP:	591517 107	
Par or stated value:	\$0.001	
Total shares authorized:	75,000,000	as of date: August 31, 2021.
Total shares outstanding:	74,294,648	as of date: August 31, 2021.
Number of shares in the Public Float ² :	12,656,408	as of date: August 31, 2021
Total number of shareholders of record:	112	as of date: September 23, 2021

All additional class(es) of publicly traded securities (if any):

Trading symbol:	N/A	
Exact title and class of securities outstanding:	Preferred Stock	
CUSIP:	N/A	
Par or stated value:	\$0.001	
Total shares authorized:	10,000,000	as of date: August 31, 2021.
Total shares outstanding:	9,811,822	as of date: August 31, 2021.

Transfer Agent

Name: Vail Stock Transfer LLC
Phone: 702-463-8832
Email: support@vailstocktransfer.com
Address: 3900 S Hualapai Way, Suite 135, Las Vegas, Nevada, 89147

Is the Transfer Agent registered under the Exchange Act?³ Yes: X No:

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: X (no changes)

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>1 Dec 2018</u> Common: <u>74,294,648</u> Preferred: <u>9,811,822</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: <u>Ending Balance</u> Date <u>31 Aug 2021</u> Common: <u>74,294,648</u> Preferred: <u>9,811,822</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>01/18/2018</u>	<u>\$1,058,900.79</u>	<u>\$821,161.41</u>	<u>\$237,739.38</u>	<u>01/17/2020</u>	<u>None</u>	<u>Michel Laporte</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

The Promissory Note bear interest at the rate of 8% per annum and has a term of 2 years. The Note was due on 17 January 2020 and is currently in default.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

U.S. GAAP

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Sohail Raza
Title: Certified Public Accountant (CPA)
Relationship to Issuer: None

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial Statements are included in this document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

No Operations

B. Please list any subsidiaries, parents, or affiliated companies.

The Company currently does not have any subsidiaries, parents, or affiliated companies.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

C. Describe the issuers' principal products or services.

None

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Currently the Company does not have any proprieties or facilities.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Han Swoong Ng	CEO/Director	Brampton, Ontario	434,593	Common	0.58%	
John Loewen	CFO/Director	Kitchener, Ontario	434,593	Common	0.58%	
Michel Laporte	More than 5%	Gloucester, New Brunswick	60,769,054	Common	81.76%	
Michel Laporte	More than 5%	Gloucester, New Brunswick	9,700,000	Preferred	98.86%	

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Scott Olson
Address 1: 274 Broadway
Address 2: Costa Mesa, CA
Phone: 310-985-1034
Email: sdoesq@gmail.com

Accountant or Auditor

Name: Sohail Raza, CPA
Firm: SRCO Professional Corporation
Address 1: Park Place Corporate Centre
Address 2: 15 Wertheim Court, Suite 409, Richmond Hill, ON L4B 3H7, Canada
Phone: 416-671-7292
Email: sohail.raza@srco.ca

Investor Relations

Name: None

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: None

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Han Swoong (Nicholas) Ng certify that:

1. I have reviewed this quarterly disclosure statement of Methes Energies International Ltd.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

23 September 2021

/s/Han Swoong (Nicholas) Ng

Director / President

Principal Financial Officer:

I, John Loewen certify that:

1. I have reviewed this quarterly disclosure statement of Methes Energies International Ltd.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

23 September 2021

/s/John Loewen

Director / Secretary

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Methes Energies International Ltd.

Condensed Financial Statements

For the three and nine months ended August 31, 2021 and August 31, 2020

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METHES ENERGIES INTERNATIONAL LTD.
Condensed Balance Sheets
As at August 31, 2021 and November 30, 2020

(Expressed in US dollars)

	August 31, 2021 <i>(Unaudited)</i> \$	November 30, 2020 <i>(Unaudited)</i> \$
ASSETS		
Current assets		
Cash	—	—
Total current assets	—	—
Intangible assets	—	—
Total assets	—	—
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and other payables	—	—
Total current liabilities	—	—
Loans and borrowings (note 3)	821,162	821,162
Accrued interest on loans and borrowings	237,739	188,469
Total liabilities	1,058,901	1,009,631
Stockholders' Deficit		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized; 9,811,822 shares issued and outstanding as at August 31, 2021 and November 30, 2020 (note 4)	9,812	9,812
Common stock, \$0.001 par value, 75,000,000 shares authorized; 74,294,648 shares issued and outstanding at August 31, 2021 and November 30, 2020 (note 4)	74,295	74,295
Contributed surplus	27,867,705	27,867,705
Accumulated deficit	(29,010,713)	(28,961,443)
Total Stockholders' Deficit	(1,058,901)	(1,009,631)
Total Liabilities and Stockholders' Deficit	—	—

Subsequent events (note 7)

See accompanying notes to condensed financial statements

METHES ENERGIES INTERNATIONAL LTD.
Condensed Statements of Operations
For the three and nine months ended August 31, 2021 and August 31, 2020

(Expressed in US dollars)

	Three months ended		Nine months ended	
	August 31,	August 31,	August 31,	August 31,
	2021	2020	2021	2020
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Revenue	—	—	—	—
Cost of sales	—	—	—	—
Gross Profit	—	—	—	—
Operating expenses:				
Selling, general and administrative expenses	—	—	—	—
Loss from operations before interest and taxes				
Other income expenses				
Interest expense (note 3)	(16,423)	(16,423)	(49,270)	(49,270)
Net loss from operations before income taxes	(16,423)	(16,423)	(49,270)	(49,270)
Income tax expense (note 5)	—	—	—	—
Net loss for the period	(16,423)	(16,423)	(49,270)	(49,270)
Net loss per common share – Basic and Diluted	(0.0002)	(0.0002)	(0.0007)	(0.0007)
Weighted average number of common shares	74,294,648	74,294,648	74,294,648	74,294,648

See accompanying notes to condensed financial statements.

METHES ENERGIES INTERNATIONAL LTD.
Condensed Statements of Stockholders' Deficit
For the three and nine months ended August 31, 2021 and August 31, 2020

(Expressed in US dollars)

	Common Stock		Preferred Stock		Contributed Surplus	Accumulated Deficit	Total
	Shares	Amount \$	Shares	Amount \$	\$	\$	\$
Balance, December 1, 2019	74,294,648	74,295	9,811,822	9,812	27,867,705	(28,895,750)	(943,938)
Net loss for the year	—	—	—	—	—	(65,693)	(65,693)
Balance, November 30, 2020	74,294,648	74,295	9,811,822	9,812	27,867,705	(28,961,443)	(1,009,631)
Net loss for the period	—	—	—	—	—	(16,423)	(16,423)
Balance, February 28, 2021	74,294,648	74,295	9,811,822	9,812	27,867,705	(28,977,866)	(1,026,054)
Net loss for the period	—	—	—	—	—	(16,423)	(16,423)
Balance, May 31, 2021	74,294,648	74,295	9,811,822	9,812	27,867,705	(28,994,289)	(1,042,478)
Net loss for the period	—	—	—	—	—	(16,423)	(16,423)
Balance, August 31, 2021	74,294,648	74,295	9,811,822	9,812	27,867,705	(29,010,713)	(1,058,901)
Balance, December 1, 2019	74,294,648	74,295	9,811,822	9,812	27,867,705	(28,895,750)	(943,938)
Net loss for the period	—	—	—	—	—	(16,423)	(16,423)
Balance, February 29, 2020	74,294,648	74,295	9,811,822	9,812	27,867,705	(28,912,173)	(960,361)
Net loss for the period	—	—	—	—	—	(16,423)	(16,423)
Balance, May 31, 2020	74,294,648	74,295	9,811,822	9,812	27,867,705	(28,928,596)	(976,785)
Net loss for the period	—	—	—	—	—	(16,423)	(16,423)
Balance, August 31, 2020	74,294,648	74,295	9,811,822	9,812	27,867,705	(28,945,020)	(993,208)

See accompanying notes to condensed financial statements.

METHES ENERGIES INTERNATIONAL LTD.
Condensed Statements of Cash Flows
For the nine months ended August 31, 2021 and August 31, 2020

(Expressed in US dollars)

	Nine months ended August 31, 2021 <i>(Unaudited)</i> \$	Nine months ended August 31, 2020 <i>(Unaudited)</i> \$
Cash flow from operating activities		
Net loss for the period	(49,270)	(49,270)
Items not affecting cash	—	—
Changes in non-cash working capital items	—	—
Accrued interest on loans and borrowings	49,270	49,270
Cash flow generated used in operating activities	—	—
CASH FLOW FROM INVESTING ACTIVITIES	—	—
Cash flow used in investing activities	—	—
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings, net	—	—
Cash flow from financing activities	—	—
Change in cash	—	—
Cash, beginning of period	—	—
Cash, end of period	—	—

See accompanying notes to condensed financial statements.

METHES ENERGIES INTERNATIONAL LTD.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the nine months ended August 31, 2021 and August 31, 2020

(Expressed in US Dollars)

1. NATURE OF THE BUSINESS

Methes Energies International Ltd. (the “Company”, or “Methes”) was incorporated on June 27, 2007 in the State of Nevada. Prior to June 16, 2016, Methes, through its operations in Canada and the United States, was a biodiesel processing equipment provider and a biodiesel producer. The Company had no operations since June 2016 and as at July 31, 2020, the Company’s Canadian subsidiary was dissolved. The Company’s US subsidiary (Methes Energies USA Ltd.) was dissolved on March 27, 2017.

On September 1, 2017, the Company assumed the outstanding loan to Michel Laporte from Methes Canada due to dissolution of Methes Canada, which was subsequently settled as disclosed in Note 3.

The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts or the amounts and classification of the recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The condensed consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted as permitted by such rules and regulations. All adjustments, consisting of normal recurring adjustments, have been included. Management believes that the disclosures are adequate to present fairly the financial position, results of operations and cash flows at the dates and for the periods presented. It is suggested that these interim financial statements be read in conjunction with the financial statements and the notes thereto appearing in the Company’s latest annual financial statements. Results for interim periods are not necessarily indicative of those to be expected for the full fiscal year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These condensed financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and are expressed in United States dollars. These condensed financial statements should be read in conjunction with our annual financial statements. The Company’s fiscal year-end is November 30.

The Company is an emerging growth company (EGC) pursuant to Jumpstart Our Business Startups Act of 2012 (the JOBS Act). Under Section 102(b) of the JOBS Act, the Company has elected to apply any new or revised financial accounting standard on the same date a company that is not an issuer is required to apply the new or revised accounting standard, if the standard applies to a non-issuer. If the new or revised accounting standard does not apply to a non-issuer, then the Company will apply it according to the transition provisions for a non-EGC. The Company’s election to use the extended transition period for complying with new or revised accounting standards under Section 102(b) of the JOBS Act had no impact on the condensed financial statements as of August 31, 2021 and November 30, 2020.

b) Use of Estimates

The preparation of the condensed financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the condensed financial statements and accompanying notes. Areas involving significant estimates and assumptions include: deferred income tax liabilities, accruals and assumptions used in the going concern assessment. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

c) Fair Value Measurements

ASC 820 defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which

requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include loans and borrowings and related accrued interest.

d) Income taxes and income tax provisions

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

e) Loss per share

The Company has adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. Diluted earnings per share exclude all potentially dilutive shares if their effect is anti-dilutive. There were no potentially dilutive shares outstanding as at August 31, 2021 and November 30, 2020.

f) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This guidance revises existing practice related to accounting for leases under ASC Topic 840 *Leases (ASC 840)* for both lessees and lessors. The new guidance requires lessees to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The lease liability will be equal to the present value of lease payments and the right-of-use asset will be based on the lease liability, subject to adjustment such as for initial direct costs. For income statement purposes, the new standard retains a dual model similar to ASC 840, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current accounting by lessees for operating leases under ASC 840) while finance leases will result in a front-loaded expense pattern (similar to current accounting by lessees for capital leases under ASC 840). While the new standard maintains similar accounting for lessors as under ASC 840, the new standard reflects updates to, among other things, align with certain changes to the lessee model. In June 2020, the FASB issued ASU No. 2020-05 to delay the effective date for the new standard for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022 for non-issuers (including EGCs). Early application continues to be allowed. Topic 842 allows an entity to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach or to adopt under the new optional transition method that allows an entity to recognize a cumulative-effect adjustment to the opening balance of retained earnings as of the adoption date. The Company has not yet adopted this standard and does not believe this standard will have any impact on its condensed financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes* (“ASU 2019-12”), which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. ASU 2019-12 is effective for fiscal years beginning after December 15, 2021. Most amendments within the standard are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. The Company is currently evaluating the impacts of the provisions of ASU 2019-12 on its financial condition, results of operations, and cash flows.

In March 2020, the FASB issued ASU No. 2030-20 *Codification Improvements to Financial Instruments, An Amendment of the FASB Accounting Standards Codification*: a) in ASU No. 2016-01, b) in Subtopic 820-10, c) for depository and lending institutions clarification in disclosure requirements, d) in Subtopic 470-50, e) in Subtopic 820-10, f) Interaction of Topic 842 and Topic 326, g) Interaction of the guidance in Topic 326 and Subtopic 860-20. The amendments in this Update represent changes to clarify or improve the Codification. The amendments make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. For public business entities updates under the following paragraphs: a), b), d) and e) are effective upon issuance of this final update. The effective date for c) is for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company does not expect that the new guidance will significantly impact its condensed financial statements.

All other recent pronouncements issued by the FASB or other authoritative standards groups with future effective dates are either not applicable or are not expected to be significant to the condensed financial statements of the Company.

3. LOANS AND BORROWINGS

On January 17, 2018, the Company and Mr. Laporte agreed to settle Mr. Laporte's outstanding loans aggregating to \$2,215,161 in the following manner:

- a) On January 18, 2018, the Company converted \$1,200,000 of the debt into shares of the Company's common stock at a price of \$0.02 (the stock closed at \$0.007 the previous day – January 16, 2018) for an aggregate number of shares of 60,000,000.
- b) On January 18, 2018, the Company converted \$194,000 of the debt into shares of the Company's preferred stock at a price of \$0.02 for an aggregate number of shares of 9,700,000.
- c) On January 18, 2018 the Company and Mr. Laporte entered into a promissory note for the balance owing in the amount of \$821,161. The Note bears interest at the rate of 8% per annum and has a term of two years. The Note was due on January 17, 2020 and is currently in default.

Mr. Laporte was the CEO and a Director of the Company until his resignation on May 30, 2017.

4. STOCKHOLDERS' DEFICIT

Common Stock

The Company is authorized to issue 75,000,000 shares of Common Stock with a par value of \$0.001 and had 74,294,648 shares issued and outstanding at August 31, 2021 and November 30, 2020.

In June 2021, the Company was notified by its new stock transfer agent that the quantity of the Company's total shares outstanding was 74,294,648 instead of the 73,860,431 initially recorded. The discrepancy occurred between the time that the Company was changing its stock transfer agents in March 2016. The difference of 434,217 shares has been retroactively corrected and reflected in these financial statements to rectify the number of outstanding common shares as of December 1, 2018.

Issuance of Common stock for Loan settlement

On January 18, 2018, the Company converted \$1,200,000 of the debt into shares of the Company's common stock at a price of \$0.02 (the stock closed at \$0.007 the previous day – January 16, 2018) for an aggregate number of 60,000,000 shares of common stock, as disclosed in Note 3.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of Preferred Stock with a par value of \$0.001 and had 9,811,822 shares issued and outstanding at August 31, 2021 and November 30, 2020.

Issuance of Preferred stock for Loan settlement

On January 18, 2018, the Company converted \$194,000 of the debt into shares of the Company's preferred stock at a price of \$0.02 for an aggregate number of 9,700,000 shares of preferred stock, as disclosed in Note 3.

5. INCOME TAXES

The combined corporate tax rate was approximately 21% for the nine months ended August 31, 2021.

As of August 31, 2021, the Company had approximately \$3,380,002 of non-capital losses available to offset future taxable income. These losses will expire between 2029 and 2037.

6. FAIR VALUE MEASUREMENTS, CONCENTRATIONS AND RISK

The Company's financial instruments are exposed to certain financial risks, including liquidity 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

7. SUBSEQUENT EVENTS

The Company has performed an evaluation of subsequent events up to the date of the filing of these financial statements and has determined there have been no significant events to disclose.