

HOPE WELL CAPITAL CORP.

Annual Financial Statements

(Expressed in Canadian dollars)

For Years Ended January 31, 2018 and 2017

Independent Auditors' Report

To the Shareholders of Hope Well Capital Corp.:

We have audited the accompanying financial statements of Hope Well Capital Corp., which comprise the statements of financial position as at January 31, 2018 and 2017, and the statements of operations and comprehensive loss, changes in equity and cash flows for the year ended January 31, 2018 and for the period from Date of Incorporation (December 1, 2016) to January 31, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hope Well Capital Corp. as at January 31, 2018 and 2017 and its financial performance and its cash flows for the year ended January 31, 2018 and for the period from Date of Incorporation (December 1, 2016) to January 31, 2017 in accordance with International Financial Reporting Standards.

Mississauga, Ontario

May 28, 2018

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

HOPE WELL CAPITAL CORP.

Statements of Financial Position

(Expressed in Canadian dollars)

As at January 31, 2018 and 2017

	January 31, 2018	January 31, 2017
Assets		
Current assets:		
Cash (note 3)	\$ 1,123,588	\$ 97,668
Prepaid expenses	-	30,000
Total assets	\$ 1,123,588	\$ 127,668
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 61,495	\$ 17,944
Total liabilities	61,495	17,944
Equity:		
Share capital (note 4)	1,083,704	147,500
Contributed surplus (note 4)	281,321	-
Deficit	(302,932)	(37,776)
Total equity	1,062,093	109,724
Total liabilities and equity	\$ 1,123,588	\$ 127,668

Nature of operations (Note 1)

Subsequent events (Note 9)

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

On behalf of the Board:

Signed "Sheldon Kales" Director

Signed "Peiwei Ni" Director

HOPE WELL CAPITAL CORP.

Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

	January 31, 2018	For the Period from Date of Incorporation (December 31, 2016) to January 31, 2017
Expenses:		
TSXV filing fees and others	\$ 25,922	\$ 16,205
Stock-based compensation (note 4)	191,019	-
Audit fees	8,709	7,017
Accounting fees	6,373	-
Legal fees	33,133	14,554
Net loss and comprehensive loss	\$ (265,156)	\$ (37,776)
Loss per share		
Basic	\$ 0.043	\$ 0.06
Diluted	\$ 0.043	\$ 0.06
Weighted average number of shares outstanding		
Basic	6,166,780	628,689
Diluted	6,166,780	628,689

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

HOPE WELL CAPITAL CORP.

Statements of Changes in Equity

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and for the Period from the date of Incorporation (December 1, 2016) to January 31, 2017

Year ended January 31, 2018	Number of Common Share	Share Capital	Contributed Surplus	Deficit	Total
Balance, December 1, 2016 – Date of Incorporation	-	\$ -	\$ -	\$ -	\$ -
Common shares issued	1,475,000	147,500	-	-	147,500
Net loss for the year	-	-	-	(37,776)	(37,776)
Balance, January 31, 2017	1,475,000	147,500	-	(37,776)	109,724
Common shares issued pursuant to offering	6,249,999	1,250,000	-	-	1,250,000
Share issue cost	-	(313,796)	90,302	-	(223,494)
Stock-based compensation	-	-	191,019	-	191,019
Net loss for the period	-	-	-	(265,156)	(265,156)
Balance, January 31, 2018	7,724,999	\$ 1,083,704	\$ 281,321	\$ (302,932)	\$ 1,062,093

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

HOPE WELL CAPITAL CORP.

Statements of Cash Flows

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

	January 31, 2018	For the Period from Date of Incorporation (December 31, 2016) to January 1, 2017
Cash flows from operating activities:		
Net loss for the year	\$ (265,156)	\$ (37,776)
Change in non-cash operating working capital:		
Prepaid expenses	30,000	(30,000)
Advances payable and accrued liabilities	43,551	17,944
Stock-based compensation	191,019	-
Cash used in operating activities	(586)	(49,832)
Cash flows from financing activities:		
Proceeds from share issuance	1,250,000	147,500
Costs of share issuance	(223,494)	-
Cash provided by financing activities	1,026,506	147,500
Increase in Cash	1,025,920	97,668
Cash, beginning of year	97,668	-
Cash, end of year	\$ 1,123,588	\$ 97,668

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

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

1. Nature of operations

Hope Well Capital Corp. (the "Corporation" or "HWCC") was incorporated under the Business Corporations Act (Ontario) on December 1, 2016 with the intent of being classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange").

On May 3, 2017, the Corporation completed its initial public offering pursuant to a prospectus dated March 24, 2017 by issuing 6,249,999 common shares of the Corporation at a price of \$0.20 per common share for total gross proceeds of \$1,250,000. The common shares of the Corporation were listed on the Exchange on May 9, 2017 under the symbol "HOPE.P" and the Corporation was classified as a CPC.

The Corporation has no assets other than cash and prepaids. The Corporation proposes to identify and evaluate potential acquisitions of businesses (for a "Qualifying Transaction"), and once identified and evaluated, to negotiate an acquisition or participation.

The Corporation's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the Exchange. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. There is no assurance that the Corporation will be able to complete a Qualifying Transaction within twenty-four months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Corporation's common shares from trading should it not meet these requirements.

On November 17, 2017, the Corporation entered into a letter of intent (the "LOI") for a business combination with Payfare Inc. ("Payfare"), a corporation existing under the laws of Ontario that will result in a reverse take-over of HWCC on the Exchange. The transaction is intended to constitute HWCC's qualifying transaction under the policies of the Exchange (the "Qualifying Transaction").

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

1. Nature of operations (continued)

Pursuant to the terms of the LOI, completion of the Qualifying Transaction will be subject to a number of conditions, including completion of a Financing (as defined and described below), completion or waiver of sponsorship, receipt of all required regulatory approvals, including the approval of the Exchange of the Qualifying Transaction, completion of all due diligence reviews, satisfaction of the minimum listing requirements of the Exchange and all requirements under the Exchange rules relating to completion of a Qualifying Transaction and execution of a definitive agreement.

The proposed Qualifying Transaction is not a "Non-Arm's Length Qualifying Transaction" within the meaning of Policy 2.4 of the Exchange and, as such, shareholder approval is not required, unless otherwise required by the Exchange.

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange, unless exempt in accordance with Exchange policies. HWCC intends to apply for an exemption from sponsorship requirements; however, there is no assurance that HWCC will obtain this exemption.

HWCC and Payfare will complete the Qualifying Transaction by way of a share exchange, amalgamation, arrangement, share purchase, or other form of transaction which would result in Payfare becoming a wholly-owned subsidiary of HWCC or otherwise combine its corporate existence with a wholly-owned subsidiary of HWCC. Once the structure is determined, the LOI will be superseded by a definitive agreement between HWCC and Payfare, and the parties will announce the signing of such definitive agreement. Following completion of the Qualifying Transaction, HWCC as the resulting issuer (the "Resulting Issuer") will hold all of Payfare's assets and conduct the business of Payfare.

Prior to, and as a condition of closing of the Qualifying Transaction and subject to Exchange approval, HWCC will consolidate its outstanding shares (the "Consolidation") on the basis of 1.580113 pre-Consolidation common shares for one post-Consolidation common share (a "Post-Consolidation Share"). The Resulting Issuer also expects to change its name to "Payfare Corp." or such other similar name approved by the directors of HWCC and Payfare and acceptable to the applicable regulatory authorities.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

1. Nature of operations (continued)

Pursuant to the Qualifying Transaction each outstanding common share of Payfare (a "Payfare Share") will be exchanged for one Post-Consolidation Share of Resulting Issuer. All outstanding convertible securities of Payfare will be replaced by convertible securities of the Resulting Issuer on a post-Consolidation basis.

Completion of the Qualifying Transaction with Payfare is subject to a number of conditions including but not limited to, due diligence, Exchange acceptance, completion of minimum of \$5,000,000 Financing (as defined below) and completion of the Consolidation. There can be no assurance that the Qualifying Transaction with Payfare will be completed as proposed or at all.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classification of assets and liabilities should the Corporation be unable to continue as a going concern.

The address of the Corporation's registered office, as of the year end date, was Suite 3000, 77 King Street West, Toronto, Ontario. These financial statements were approved and authorized for issuance by the Board of Directors on May 28, 2018.

2. Significant accounting policies

Statement of compliance

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

2. Significant accounting policies (continued)

Functional and presentation currency

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

Use of estimates and key judgements

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Income Taxes

Income tax consists of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Corporation intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

2. Significant accounting policies (continued)

Share Capital

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Share-based Payments

Equity-settled share-based payments for directors, officers, employees and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements.

The Corporation applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized in the respective reporting period. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

2. Significant accounting policies (continued)

Financial Instruments

Financial assets

The Corporation classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statements of financial position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Corporation has classified cash as financial assets at fair value through profit and loss.

Financial liabilities

The Corporation classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities were incurred. The Corporation's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises of liabilities acquired or incurred principally for the purposes of acquiring a value-added service with terms and conditions clearly laid out in an executed agreement. They are carried on the Statement of Financial Position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss.

The Corporation's accounts payable and accrued liabilities are classified as other financial liabilities.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

2. Significant accounting policies (continued)

Fair Value Hierarchy

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of January 31, 2018, cash was measured at fair value and was classified within Level 1 of the fair value hierarchy on the Statements of Financial Position.

Accounting standards issued but not yet applied:

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these pronouncements to have a material impact on the financial statements.

3. Cash

Once the Corporation has been classified as a Capital Pool Company, the proceeds raised from the issuance of capital stock may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

4. Share Capital

Authorized Unlimited Common Shares

The Corporation is authorized to issue an unlimited number of common shares, and on April 30, 2017, the Corporation issued 1,475,000 common shares at \$0.10 per share for total proceeds of \$147,500.

On May 3, 2017, the Corporation completed its initial public offering pursuant to the Prospectus through its agent, Mackie Research Capital Corporation (the "Agent") of 6,249,999 common shares of the Corporation at a price of \$0.20 per common share for total gross proceeds of \$1,250,000.

As consideration for its role as agent, the Corporation granted to the Agent a non-transferable option to purchase up to 625,000 common shares of the Corporation at a price of \$0.20 per common share for a period of 24 months until May 3, 2019. In addition, the Agent received a cash commission in an amount equal to 10% of the gross proceeds of the initial public offering, a work fee of \$15,000 and reimbursement of certain expenses. The Agent's option was valued using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return of 0.99% and an expected remaining life of 24 months. The Corporation has recorded a \$90,302 expense as the cost of shares issuance in the year ended January 31, 2018 in connection with the issuance of the Agent's options.

Upon closing of the initial public offering, the Corporation also granted 772,500 incentive stock options to its directors and officers which are exercisable for a period of five years at an exercise price of \$0.20 per share. On June 29, 2017, the Corporation received the resignation from a director and officer, and the 270,375 options granted to this director and officer expired on

September 29, 2017 without being exercised in accordance with the terms of the stock option plan. On November 6, 2017, the Corporation granted a total of 270,374 options to two directors, exercisable at a price of \$0.21 per share until November 6, 2022.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

4. Share Capital (continued)

All the above fact has been taken into account when determining diluted weighted average of outstanding shares as well as the stock-based compensation for the year ended January 31, 2018. The incentive stock options were valued using the Black-Scholes valuation model with the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return on May 3, 2017 of 0.99%, risk free return on November 6, 2017 of 1.63% and an expected remaining life of five years. The Corporation has recorded a \$191,019 expense

as the stock-based compensation in the year ended January 31, 2018 in connection with the issuance of the incentive stock options.

Escrow shares

All the 1,475,000 common shares issued prior to the offering and all common shares that may be acquired from treasury of the Corporation by non-arm's length parties, as defined in the policies of the Exchange, of the Corporation prior to the completion of the Qualifying Transaction will be deposited with the trustee under the escrow agreement. Under the Discount Seed Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. This release schedule may be accelerated if the Corporation is listed as a Tier 1 Issuer.

All common shares acquired upon exercise of stock options prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued, following which the common shares will be released from escrow in accordance with the terms of the escrow agreement.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a control person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer following the Qualifying Transaction will also be escrowed. As at January 31, 2018, 1,475,000 common shares were held in escrow.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

4. Share Capital (continued)

Stock Option Plan

During the year ended January 31, 2018, the directors of the Corporation approved a stock option plan (the "Plan") for the directors, officers, employees and consultants of the Corporation. The outstanding options granted under the Plan are exercisable for a period of up to 10 years from the date of the grant. The exercise price of the options shall be determined by the Board of Directors at the time of the grant. The aggregate number of shares issuable upon the exercise of all options granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. The number of common shares reserved for issuance to (a) any participant will not exceed 5% of the issued and outstanding common shares in a twelve-month period, and (b) any individual director or officer will not exceed 5% of the issued and outstanding common shares while the corporation is a CPC, and (c) any person conducting investor relations activities within a 12 month period shall not exceed 2% of the common shares outstanding at the time of grant, provided that, while the Corporation is a CPC, no common shares may be reserved for issuance to any persons conducting investor relations activities, promotional or market-making services, and (d) Insiders shall not exceed 10% of the common shares outstanding from time to time, and (e) Insiders within a 12 month period shall not exceed 10% of the common shares outstanding from time to time; and (f) to any one consultant in any 12 month period shall not exceed 2% of the common shares outstanding at the time of the grant.

Options granted to an optionee while the Corporation is a CPC who does not continue as a director, officer, technical consultant or employee of the resulting issuer may be exercised until the later of 12 months after the completion of the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, technical consultant or employee of the resulting issuer.

As at January 31, 2018, the Corporation had a total of 772,499 stock options outstanding and exercisable, with 502,125 stock options exercisable for a period of five years until May 3, 2022 at an exercise price of \$0.20 per share, and 270,374 stock options exercisable for a period of five years until November 6, 2022 at an exercise price of \$0.21 per share.

In consideration of options vested immediately, the value of options vested for 625,000 Agent's options has recorded as \$90,302 to contributed surplus; the value of options vested for 772,499 incentive stock options has recorded as \$138,906 to contributed surplus; and the value of options vested for 270,375 stock options expired but not exercised on and before September 29, 2017 has recorded as \$52,113 to contributed surplus.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

5. Income Taxes

The reconciliation of the combined federal and provincial corporate income taxes at statutory rates of 26.5% (2017 – 26.5%) to the Corporation's effective income tax expense is as follows:

	January 31, 2018	January 31, 2017
Net income (loss) before recovery of income taxes	\$ (265,156)	\$ (37,776)
Add share based compensation	191,019	-
Tax income (loss) before tax effect	(74,137)	(37,776)
Expected income tax (recovery) expense	\$ (19,646)	\$ (10,011)
Effect of losses carried forward	19,646	10,011
Income tax (recovery) expense	\$ -	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following item:

Cumulative Non-Capital Loss Carry Forward	\$ 111,913	\$ 37,776
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The non-capital losses can be carried forward twenty years to be applied against future taxable income, with the balance expiring between 2037 and 2038. Deferred tax assets have not been recognized in respect of this item because it is not probable that future taxable profit will be available against which the Corporation can utilize the benefits therefrom.

6. Related Party Transactions

During the years ended January 31, 2018 and 2017, the Corporation did not enter into transactions with related parties, and no remuneration was paid to directors or officers of the Corporation.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

7. Financial Instruments Fair Values

At January 31, 2018, the Corporation's financial instruments consisted of cash and accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying value due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Corporation's liabilities.

8. Capital management and risk management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares, in the definition of capital. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

HOPE WELL CAPITAL CORP.

Notes to Financial Statements

(Expressed in Canadian dollars)

For the Year Ended January 31, 2018 and Period Ended January 31, 2017

9. Subsequent Events

Subscription Receipt Financing

In conjunction with the Qualifying Transaction, Payfare and HWCC entered into an engagement letter on April 9, 2018 to conduct a brokered private placement (the "Financing") led by Mackie Research Capital Corporation to raise gross proceeds of a minimum of \$5,000,000 and a maximum of \$12,000,000 through the issuance of subscription receipts of Payfare ("Subscription Receipts"). The Subscription Receipts will be offered at a price to be determined in the context of the market currently expected to be \$0.65 per Subscription Receipt. Upon satisfaction of the escrow release conditions, including all conditions precedent to the Qualifying Transaction being satisfied, each Subscription Receipt will automatically convert without any further action on the part of the holder into one unit of Payfare (a "Unit") immediately prior to completion of the Qualifying Transaction. Should the escrow release conditions not be satisfied on or before a certain date which is currently contemplated to be the 120th day after closing of the Financing, the Subscription Receipts will be cancelled and all proceeds from the sale of Subscription Receipts will be returned to the subscribers.

Each Unit will be comprised of one Payfare Share and one Payfare warrant, with each Payfare warrant entitling the holder to acquire one Payfare Share, at \$1.25 per share for a period of 24 months after completion of the Qualifying Transaction. On completion of the Qualifying Transaction, each Unit will be exchanged for one Post-Consolidation Share of the Resulting Issuer and one warrant of Resulting Issuer with each warrant entitling the holder to acquire one Post-Consolidation Share at \$1.25 per share for a period of 24 months after completion of the Qualifying Transaction.