

CREDENT CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016
(Expressed in Canadian Dollars)

CREDENT CAPITAL CORP.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION UNAUDITED (Expressed in Canadian Dollars)

	October 31, 2017	Audited April 30, 2017
ASSETS		
Current		
Cash	\$ 195,418	\$ 90,529
Due from Hydro Power Technologies	-	34,293
Prepaid expenses	9,200	2,580
	\$ 204,618	\$ 127,402
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 3,700	\$ 6,130
Advances payable (Note 3)	131,223	18,500
	134,923	24,630
EQUITY		
Share Capital (Note 4)	366,550	366,550
Share-based Payments Reserve	34,411	34,411
Deficit	(331,266)	(298,189)
	69,695	102,772
	\$ 204,618	\$ 127,402

Nature of Operations and Going Concern (Note 1)
Qualifying Transaction (Note 7)

These financial statements were authorized for issue by the Board of Directors on December 15, 2017. They are signed on the Company's behalf by:

"John A. Versfelt"
Director

"Calvin Lucyshyn"
Director

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

CREDENT CAPITAL CORP.

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS UNAUDITED

(Expressed in Canadian Dollars)

	Three months ending October 31		Six months ending October 31	
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016
Expenses				
Office	\$ (611)	\$ 908	\$ (44)	\$ 980
Rent	1,260	1,260	2,520	2,520
Professional fees	25,222	7,201	27,185	8,269
Filing fees	9,147	2,496	10,914	4,016
Finance fees	(10,000)		(10,000)	
Travel	2,502	-	2,502	-
Net Loss And Comprehensive Loss For The Period	(27,520)	(11,865)	(33,077)	(15,785)
Basic And Diluted Loss Per Share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Number Of Shares Outstanding	4,250,000	4,250,000	4,250,000	4,250,000

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

CREDENT CAPITAL CORP.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

UNAUDITED

(Expressed in Canadian Dollars)

	FOR THE QUARTER ENDED October 31	
	2017	2016
Cash Flows Used For Operating Activities		
Net loss for the Period	\$ (33,077)	\$ (15,785)
Changes in non-cash working capital items:		-
Prepaid expenses	(6,620)	-
Accounts payable and accrued liabilities	(2,430)	-
	<u>(42,127)</u>	<u>(15,785)</u>
Cash Flows From Financing Activities		
Proceeds from advances payable	112,723	-
Advances (repayments from)to Hydro Power	34,293	-
	<u>147,016</u>	<u>-</u>
Decrease In Cash	104,889	(15,785)
Cash, Beginning of Period	90,529	155,255
Cash, End of Period	\$ 195,418	\$ 139,470

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

CREDENT CAPITAL CORP.

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY UNAUDITED

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE- BASED PAYMENTS RESERVE	DEFICIT	TOTAL EQUITY
	NUMBER OF SHARES	AMOUNT			
Balance, April 30, 2016	4,250,000	\$ 366,550	\$ 34,411	\$ (270,617)	\$ 130,344
Net loss for the period	-	-	-	(15,785)	(15,785)
Balance October 31, 2016	4,250,000	\$ 362,800	\$ 38,161	\$ (286,402)	\$ 114,559
Balance, April 30, 2017	4,250,000	\$ 366,550	\$ 34,411	\$ (298,189)	\$ 102,772
Net loss for the period	-	-	-	(33,077)	(33,077)
Balance, October 31, 2017	4,250,000	\$ 366,550	\$ 34,411	\$ (331,266)	\$ 69,695

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

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016 **(Expressed in Canadian Dollars)**

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 25, 2011 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V"). The principal business of the Company is the identification, evaluation and negotiation for the acquisition of assets or a business ("Qualifying Transaction") subject to receipt of shareholder approval and acceptance by regulatory authorities for the purpose of obtaining a listing on the TSX-V and becoming an issuer (see qualifying transaction – Note 7).

During 2013, the Company was unable to complete a Qualifying Transaction in the time frame required by the TSX-V. Pursuant to TSX-V Policy 2.4, the Company requested and received majority shareholder approval to transfer its listing to the NEX Board of the TSX-V (NEX).

The Company's head office is located at 20 Sixth Street, New Westminster, British Columbia, Canada, V7L 3Y8. The Company's registered office is located at 1000 – 595 Burrard Street, Vancouver, British Columbia V7X 1S8.

The ability of the Company to continue as a going concern involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Further, there is no assurance that the businesses acquired will be profitable. All of these factors may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments that would be necessary should it be determined that the Company may be unable to continue as a going concern, and these adjustments could be material.

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016 **(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance with International Financial Reporting Standards

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosures normally included in annual consolidated financial statements have been omitted or condensed. The unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

On December 15, 2017, the Board of Directors authorized the financial statements for issue.

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed.

b) Basis of Preparation

These financial statements have been prepared on a historical cost basis.

c) Functional Currency

The presentation currency and functional currency of the Company is the Canadian dollar.

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016 (Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Significant Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The significant areas requiring the use of management estimates relate to the existence of contingent assets and liabilities, values ascribed to related party transactions and balances, and deferred income taxes. Management reviews significant estimates on a periodic basis and, when changes in estimates are necessary, makes adjustments prospectively.

e) Financial Instruments

Financial Assets

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

Fair value through profit or loss – This category comprises derivatives or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in net income/loss.

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016 (Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial Instruments (Continued)

Financial Assets (Continued)

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in net income/loss.

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in net income/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.

Financial Liabilities

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

Fair value through profit or loss – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in net income/loss.

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016 (Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial Instruments (Continued)

Financial Liabilities (Continued)

Other financial liabilities – This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit or loss, and accounts payable and accrued liabilities and advances payable as other financial liabilities. The Company's accounts payable and accrued liabilities approximates their fair value.

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Liquidity risks is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Credit risk, liquidity and market risks were not significant to the Company's statement of financial position at the end of the period. The Company manages these risks by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities.

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016 (Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Cash

Cash consists of cash held in a non-interest bearing bank account.

g) Deferred Financing Costs

Costs directly identifiable with the raising of capital are charged against share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations, if the shares are not issued.

Costs incurred to effect a business combination are expensed in the period they are incurred.

h) Income Taxes

Income tax comprises 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 set off the amounts and the Company 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 statement of financial position date 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.

Deferred income tax assets and liabilities are presented as non-current.

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016 (Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of tax when deemed recoverable.

j) 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 fair value determined at the grant date of the equity-settled share based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of shares that will eventually vest. 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.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by using the Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

k) 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. Contingently issuable shares are not considered outstanding and consequently are not included in loss per share calculations.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016 (Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Adoption of New Accounting Standards

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 1 Presentation of Financial Statement are designed to encourage companies to apply professional judgement to determine what information to disclose in the financial statements. In addition, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The amendment is effective for annual periods beginning on or after January 1, 2016.

International Financial Reporting Standard 9, Financial Instruments: Classification and Measurement ("IFRS 9") introduces new requirements for the classification and measurement of financial instruments. IFRS 9 is applicable for periods beginning on or after January 1, 2018. The Company has not early adopted IFRS 9 and has not yet considered the impact on its financial statements.

3. ADVANCES PAYABLE

During the period ended October 31, 2017 the Company received \$112,723 in advances from a non-related party. The advances are unsecured, non-interest bearing, and have no repayment terms. The balance due at October 31, 2017 is \$131,223.

4. SHARE CAPITAL

a) Authorized

Unlimited common shares, without par value

b) Issued

Fiscal Year ended April 30, 2017 and six month period ended October 31, 2017: No changes

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (Continued)

b) Stock Options and Agent's Warrants

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On June 28, 2011, the Company granted 420,000 stock options to directors and officers. These options are fully vested and are exercisable for up to 5 years at a price of \$0.10 per share.

On June 28, 2011, upon closing the private placement, the Agent was granted agent's warrants to purchase 300,000 common shares at a price of \$0.10 per common share, exercisable for a period of 2 years. In fiscal 2014, 150,000 of these agent warrants were exercised and the balance expired unexercised.

The weighted average fair value of the 420,000 options and 300,000 agent's warrants granted during the year ended April 30, 2012 was estimated on the grant dates using the Black-Scholes option pricing model with the following weighted average assumptions:

Dividend rate	Nil
Risk free rate	2.50%
Expected life	3.5 years
Expected volatility	95%
Expected forfeitures	0%

As at October 31, 2017, nil stock options were outstanding.

CREDENT CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED OCTOBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

5. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its Qualifying Transaction if and when a suitable acquisition is identified. If and when the Company identifies a suitable candidate for its Qualifying Transaction, the closing will be dependent on both funds already available and external financing to fund the acquisition.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management.

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 is not subject to externally imposed capital requirements.

6. RELATED PARTY TRANSACTIONS

The Company leases office space from a company with a common director. During the quarter ended October 31, 2017, the Company paid office rent of \$1,260 (2016 - \$1,260) to this company.

	2017	2016
Key Management Compensation		
Short-term employee benefits	\$ 750	\$ 750

7. QUALIFYING TRANSACTION

Effective October 8, 2013, the Company transferred to the NEX Board of the Exchange ("NEX"). In connection with the transfer to NEX, a total of 1,100,000 "seed shares" of the Company were cancelled pursuant to the TSX Venture Exchange policies so that the average cost of the remaining 1,100,000 seed shares is equal to the Company's initial public offering price of \$0.10 per share.

On December 30, 2013, the Company signed a non-binding letter of intent (the "Hydro LOI") with Hydro Power Technologies Inc. ("Hydro Power"), a corporation existing under the laws of Ontario, Canada, which outlines the general terms and conditions pursuant to which the Company and Hydro Power will be willing to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Hydro Power.

As part of the qualifying transaction process, the Company entered into a sponsorship agreement with a qualified sponsor. Per this agreement, the Company is required to pay \$25,000 in sponsorship fees, pay additional related legal fees and issue 50,000 shares of the resulting issuer. During fiscal 2014, \$22,500 was paid as financing and legal fees. The balance of the sponsorship fees of \$12,500 and the issuance of the common shares are payable upon submission of the final sponsor report.