

BMGB Capital Corp.

Condensed Interim Financial Statements

For the Period Ended September 30, 2018

(Expressed in Canadian Dollars)

BMGB Capital Corp.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	September 30, 2018	June 30, 2018
ASSETS		
Current assets		
Cash	\$ 62,957	\$ 22,500
Subscriptions Receivable (Note 3)	-	72,500
Prepaid expenses	20,250	5,000
TOTAL ASSETS	\$ 83,207	\$ 100,000
EQUITY		
Share capital (Note 3)	\$ 100,000	\$ 100,000
Deficit	(16,793)	-
TOTAL EQUITY	\$ 83,207	\$ 100,000

Nature of and continuance of operations (Note 1)
Events after the reporting period (Note 7)

Approved on behalf of the Board on November 21, 2018:

“Lucas Birdsall”

Lucas Birdsall, Director

“Sean Bromley”

Sean Bromley, Director

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

BMGB Capital Corp.
Condensed Interim Statement of Operations
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended September 30, 2018
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EXPENSES	
Filing and transfer agent fees	\$ 10,240
Office and miscellaneous	253
Professional fees	6,300
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Total expenses	16,793
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Net loss for the period	\$ (16,793)
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Loss per common share – basic and diluted	\$ -
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Weighted average number of common shares outstanding – basic and diluted	-
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The accompanying notes are an integral part of these condensed interim financial statements.

BMGB Capital Corp.

Condensed Interim Statement of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian Dollars)

	Number of Outstanding Shares	Share Capital	Accumulated Deficit	Total Shareholders' Equity
Balance, beginning of the period	2,000,000	\$ 100,000	\$ -	\$ 100,000
Net Loss for the period	-	-	(16,793)	(16,793)
Balance, September 30, 2018	2,000,000	\$ 100,000	\$ (16,793)	\$ 83,207

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

BMGB Capital Corp.
Condensed Interim Statement of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended September 30, 2018
Cash used in operating activities	
Net loss for the period	\$ (16,793)
Changes in non-cash working capital balances	
Prepaid expenses	(15,250)
Net cash used by operating activities	(32,043)
Cash provided by financing activity	
Subscriptions received	72,500
Net cash provided by financing activity	72,500
Change in cash	40,457
Cash, beginning	22,500
Cash, ending	\$ 62,957

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

BMGB Capital Corp.

Notes to the Condensed Interim Financial Statements

For the period from July 1, 2018 to September 30, 2018

(Unaudited - Expressed in Canadian Dollars)

1. Nature and continuance of operations

BMGB Capital Corp. (the “Company”) was incorporated in the Province of British Columbia on April 21, 2018. The Company’s registered and records office is Suite 600 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the Exchange. As a CPC, the Company’s principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange (“Qualifying Transaction”). A CPC has 24 months from when the shares are listed on the Exchange to complete a Qualifying Transaction. Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

As a Capital Pool Company, the proceeds raised by the Company from the issuance of share capital may only be used to identify and evaluate assets of business for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Company and \$210,000 may be used to cover prescribed costs of issuing common shares or administrative and general expenditures of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2018, the Company has not generated any revenue since inception. The Company’s continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

(a) Statement of Compliance to International Financial Reporting Standards

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

(b) Basis of Preparation

The condensed interim financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The condensed interim financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all periods presented unless otherwise noted.

BMGB Capital Corp.

Notes to the Condensed Interim Financial Statements

For the period from July 1, 2018 to September 30, 2018

(Unaudited - Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(c) Use of Estimates and Assumptions

The preparation of condensed interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments, and the recoverability and measurement of deferred tax assets.

(d) Significant Judgments

The preparation of condensed interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's condensed interim financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

(e) Cash

Cash includes cash on hand held at call with banks.

(f) Financial Instruments

(i) Financial assets

The Company initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

BMGB Capital Corp.

Notes to the Condensed Interim Financial Statements

For the period from July 1, 2018 to September 30, 2018

(Unaudited - Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(f) Financial Instruments (continued)

(i) Financial assets (continued)

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company does not have any assets classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not have any assets classified as held to maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company classifies cash as loans and receivables.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

BMGB Capital Corp.

Notes to the Condensed Interim Financial Statements

For the period from July 1, 2018 to September 30, 2018

(Unaudited - Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(f) Financial Instruments (continued)

(i) Financial assets (continued)

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For financial assets carried at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The Company does not have any liabilities classified as non-derivative financial liabilities.

(g) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

BMGB Capital Corp.

Notes to the Condensed Interim Financial Statements

For the period from July 1, 2018 to September 30, 2018

(Unaudited - Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(h) Share-based Payments

The Company's Stock Option Plan allows directors, officers and consultants to acquire shares of the Company in exchange for the options exercised. The fair value of share options granted to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payments reserve.

The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(i) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

BMGB Capital Corp.

Notes to the Condensed Interim Financial Statements

For the period from July 1, 2018 to September 30, 2018

(Unaudited - Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(j) Loss Per Share

Basic loss per share amounts are calculated by dividing loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share amounts are determined by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(k) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2018, and have not been applied in preparing these condensed interim financial statements.

IFRS 16 – Lease (effective for annual periods beginning on or after January 1, 2019).

The Company anticipates that the application of the above new and revised standard, amendment and interpretation will have no material impact on its results and financial position.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

3. Share Capital

(a) Authorized

The Company has authorized an unlimited number of common shares with no par value.

(b) Issued Share Capital

The Company has issued 2,000,000 common shares at a price of \$0.05 per share.

(c) Stock Options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX Venture Exchange policies, and provided that, if the Company is a CPC, the Option Price shall not be lower than the IPO Share Price. The options can be granted for a maximum term of 10 years.

On June 15, 2018, the Company issued 450,000 stock options to directors and officers, options will not be exercisable until the Company's common shares are listed in the TSX Venture Exchange, and they are expired on November 5, 2028.

BMGB Capital Corp.

Notes to the Condensed Interim Financial Statements

For the period from July 1, 2018 to September 30, 2018

(Unaudited - Expressed in Canadian Dollars)

3. Share Capital (continued)

(c) Stock Options (continued)

The following table summarizes information about stock options outstanding and exercisable at September 30, 2018:

Number of Shares	Exercise Price	Expiry Date
450,000	\$0.10	November 5, 2028

(d) Share-based Payment Reserve

The share-based payment reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

4. Related Party Transactions

During the period from July 1, 2018 to September 30, 2018, the Company does not have any transactions with related parties.

5. Financial Instruments

(a) Categories of Financial Instruments and Fair Value Measurements

	September 30, 2018
Loans and receivables	-
Cash	\$ 62,957

The fair value of financial assets at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets recognized at amortized cost in the condensed interim financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

(b) Management of Financial Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assessed credit risk as low.

BMGB Capital Corp.

Notes to the Condensed Interim Financial Statements

For the period from July 1, 2018 to September 30, 2018

(Unaudited - Expressed in Canadian Dollars)

5. Financial Instruments (continued)

(b) Management of Financial Risks (continued)

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's liquidity and operating results may be adversely affected if its access to the capital markets are hindered. The Company has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assesses liquidity risk as high.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

6. Capital Management

The Company defines its capital as working capital and shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. 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 to sustain future development of the business.

The Company is dependent upon external financing. In order to carry future activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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.

7. Events after the Reporting Period

On November 5, 2018, the Company completed its initial public offering ("IPO") by issuing an aggregate of 2,500,000 common shares at a price of \$0.10 per common share for gross proceeds of \$250,000. Haywood Securities Inc. ("Haywood") acted as agent for the IPO and received a commission of 7.5% of the gross proceeds of the IPO as well as a corporate finance fee of \$8,000. The Company also reimbursed Haywood for its expenses in connection with the IPO. In addition, the Company has issued agents' options to acquire up to 250,000 common shares at a price of \$0.10 per common share until November 5, 2020.