

**Big Dougie Capital Corp.**  
**Condensed Interim Financial Statements**  
*(Unaudited)*

*For the three and nine months ended September 30, 2019*

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2019.

**NOTICE TO READER OF THE INTERIM FINANCIAL STATEMENTS**

The condensed interim financial statements of Big Dougie Capital Corp. comprising the accompanying condensed statement of financial position as at September 30, 2019 and the condensed statement of loss and comprehensive loss, changes in equity and cash flows for the periods then ended are the responsibility of the Company's management.

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, MNP LLP. The condensed interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these condensed interim financial statements in accordance with International Financial Reporting Standards.

November 28, 2019

*signed "Al Kroontje"*

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*Al Kroontje, Chief Executive Officer*

*signed "John McMahon"*

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*John McMahon, Chief Financial Officer*

**Big Dougie Capital Corp.**  
**Condensed Interim Statement of Financial Position**  
*As at,*

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 550,395	\$ 585,815
<b>Total assets</b>	<b>\$ 550,395</b>	<b>\$ 585,815</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 24,760	\$ 6,943
<b>Shareholders' Equity</b>		
Share capital (Note 4)	\$ 640,782	\$ 640,782
Contributed surplus	106,410	106,410
Deficit	(221,557)	(168,320)
Total shareholders' equity	525,635	578,872
<b>Total liabilities and shareholders' equity</b>	<b>\$ 550,395</b>	<b>\$ 585,815</b>

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

**Big Dougie Capital Corp.**  
**Condensed Interim Statement of Loss and Comprehensive Loss**  
*(Unaudited)*

	Notes	Three Months ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
<b>Expenses</b>					
General and Administrative		\$ 24,295	-	\$ 53,257	-
Share-based compensation		-	\$118,125	-	\$118,125
<b>Net loss and comprehensive loss</b>		<b>\$24,295</b>	<b>\$118,125</b>	<b>\$53,257</b>	<b>\$118,125</b>
<b>Loss per share</b>	4	0.01	0.06	0.03	0.06

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

**Big Dougie Capital Corp.**  
**Condensed Interim Statement of Changes in Shareholders' Equity**  
*(Unaudited)*

	Note	Share Capital (\$)	Contributed Surplus (\$)	Deficit (\$)	Shareholders' Equity (\$)
As at January, 1, 2019		640,782	106,410	(168,320)	578,872
Net loss				(53,327)	(53,327)
<b>As at September 30, 2019</b>		<b>640,782</b>	<b>106,410</b>	<b>(221,557)</b>	<b>525,635</b>
At incorporation		500,000	-	-	500,000
Issuance of common shares	4	200,000	-	-	200,000
Share issuance costs	4	(111,499)	-	-	(111,499)
Share-based compensation		-	118,125	-	118,125
Fair value of options & warrants	4	(14,347)	14,347	-	-
Net loss for the period				(118,125)	(118,125)
<b>As at September 30, 2018</b>		<b>574,154</b>	<b>132,742</b>	<b>(118,125)</b>	<b>588,501</b>

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

**Big Dougie Capital Corp.**  
**Condensed Interim Statement of Cash Flows**  
*For the nine months ended September 30,*  
*(Unaudited)*

	2019	2018
<b>Cash provided by the following activities:</b>		
<b>Operating activities</b>		
Net loss	\$ (53,237)	\$ (118,125)
Share-based compensation	-	118,125
Change in non-cash working capital:		
Accounts payable and accrued liabilities	(17,817)	17,524
Cash flows provided by (used in) operating activities	(35,420)	17,524
<b>Financing activities</b>		
Issuance of common shares	-	200,000
Share issue costs	-	(111,499)
Cash flows provided by financing activities	-	88,727
<b>Change in cash and cash equivalents</b>	<b>(35,420)</b>	<b>106,251</b>
<b>Cash, beginning of period</b>	<b>585,815</b>	<b>479,500</b>
<b>Cash, end of period</b>	<b>\$ 550,395</b>	<b>\$ 585,751</b>

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

# Big Dougie Capital Corp.

## 1. Incorporation and operations

Big Dougie Capital Corp. (the "Company") was incorporated on December 14, 2017 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

The head office of the Company is located at 900, 903 – 8<sup>th</sup> Avenue SW, Calgary Alberta, T2P 0P7.

The Company issued 10,000,000 common shares for an amount of \$500,000 on January 9, 2018; and on April 16, 2018, the Company's prospectus for an Initial Public Offering ("IPO") of the Company's common shares was receipted by the regulatory authorities. On July 11, 2018 the Company completed its IPO involving the issuance of 2,000,000 common shares for an amount of \$200,000.

The Company's common shares were posted for trading on the Exchange on July 13, 2018.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments may be dependent upon the ability of the Company to obtain additional financing.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

On May 13, 2019 the Company entered into a letter of intent with LaSanta Botanicals Ltd. ("**Lasanta**") involving a business combination with LaSanta and a concurrent financing (the "**Transaction**"). The Transaction was contemplated to be the Company's "Qualifying Transaction". On August 16, 2019, the Company received a letter of termination from LaSanta terminating the Transaction. Further details pertaining to the Transaction and its termination may be obtained at SEDAR.com.

## 2. Basis of preparation

### ***Statement of compliance***

The condensed interim financial statements for the nine months ended September 30, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), including IAS 34 Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's December 31, 2018 audited financial statements.

These financial statements and the policies applied herein, were authorized for issue by the directors on November 28, 2019.

### ***Basis of measurement***

These condensed interim financial statements are stated in Canadian dollars which is the Company's functional currency and were prepared on a going concern basis, under the historical cost convention.

### ***Use of estimates and judgments***

The preparation of condensed interim financial statements in conformity with IFRS requires management to make

## Big Dougie Capital Corp.

judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates and judgements are significant to the condensed interim financial statements are disclosed in Note 3.

### 3. Significant accounting policies

These condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as the Company's audited financial statements dated December 31, 2018.

#### *Significant accounting estimates and judgements*

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the condensed interim financial statements are:

#### *Fair value of financial instruments*

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

#### *Share-based compensation*

In determining share-based compensation expense, the Company uses the Black-Scholes option pricing model, which requires a number of assumptions to be made, including the risk-free interest rate, volatility, dividend yield, forfeiture rate and expected option life.

#### *Financial instruments*

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the instrument and to which category is most applicable.

### 4. Share capital

Authorized

Unlimited number of voting Common Shares  
Unlimited number of Preferred shares issuable in series

Issued Common Shares	Number of Shares	\$
Issued on incorporation at \$0.05 per share	1	-
Issued at \$0.05 per share <sup>(i)</sup>	9,999,999	500,000
Issued at \$0.10 per share <sup>(ii)</sup>	2,000,000	200,000
Share issuance costs <sup>(iii)</sup>	-	(59,218)
<b>As at December 31, 2018 and Sept 30, 2019</b>	<b>12,000,000</b>	<b>640,782</b>

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- (i) The Company has issued 10,000,000 Common Shares for cash proceeds of \$500,000 subject to an escrow agreement whereby 10% of the shares will be released upon completion and approval of the Company's qualifying transaction. An additional 15% of the escrowed Common shares will be released on each six-month anniversary thereafter unless otherwise permitted by the Exchange. Common Shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions. These Common Shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.
- (ii) On July 11, 2018, the Company completed its initial public offering and raised gross proceeds of \$200,000 through the issuance of 2,000,000 Common Shares at a price of \$0.10 per share. Included in the total share issue costs of \$59,219. The fair value of broker warrants and stock options is \$97,810.
- (iii) The Company granted Agent's Options (the "Agent's Options") which entitles the Agent to purchase in aggregate up to 200,000 Common Shares at an exercise price \$0.10 per Common Share. The Agent's Options will expire 24 months from the date the Common Shares were listed on the TSX Venture. The Agent also received a cash commission equal to 10% of the gross proceeds of the Offering, a corporate finance fee of \$10,000 and was reimbursed for its legal fees and reasonable expenses.

### Share-based payments

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 the Exchange requirements, grant to directors, officers, employees and consultants to 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. However, other than in connection with a Qualifying Transaction, during the time that the Company is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Common Shares of the Company issued and outstanding at the closing of the Company's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant and vest immediately in accordance with the terms of their grant.

<i>Options</i>	Number of options (#)	Weighted average exercise price (\$)
As at December 31, 2018	12,000,000	0.10
Issued to directors and officers	-	-
<b>As at September 30, 2019</b>	<b>12,000,000</b>	<b>0.10</b>

<i>Broker Warrants</i>	Number of warrants (#)	Weighted average exercise price (\$)
As at December 31, 2018	200,000	0.10
Issued to agents	-	-
<b>As at September 30, 2019</b>	<b>200,000</b>	<b>0.10</b>

The fair value of the stock options and broker warrants has been estimated at the date of grant using the Black-Scholes option pricing model on the following assumptions:

	Stock Options	Broker Warrants
Dividend yield	0%	0%
Expected volatility	150%	150%
Risk-free interest rate	2.48%	2.04%
Forfeiture rate	nil	0%
Fair value per warrant	\$ 0.10	\$ 0.07

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The stock options were granted on July 11, 2018 with an exercise price of \$0.10 per common share, a term of ten years and vested upon issuance.

The broker warrants were issued on July 11, 2018 with an exercise price of \$0.10 per common share and expire two years from the date of issuance.

### **Earnings per share**

Basic earnings per share is calculated by dividing the profit (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares issued during the year excluding ordinary shares purchased by the Company and held as treasury shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has dilutive instruments outstanding, which consist of stock options and broker warrants. The dilutive impact of these instruments using the treasury stock method results in anti-dilution as a result of the Company incurring losses during the periods presented. As a result, diluted loss per share and the impact of these instruments on the weighted average number of shares outstanding is not presented in the financial statements.

### **4. Capital disclosures**

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as described in Note 1.

The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the capital requirements of the Exchange.

### **5. Financial instruments**

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.