

**LAMASKA CAPITAL CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED OCTOBER 31, 2020**

**Expressed in Canadian Dollars**

**(Unaudited – Prepared by Management)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**LAMASKA CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)

	<b>October 31, 2020</b>	<b>January 31, 2020</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 236,139	\$ 82,545
Commodity tax receivable	2,342	-
Prepaid expenses	-	12,000
	<b>\$ 238,481</b>	<b>\$ 94,545</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 8,284	\$ 17,916
<b>Shareholders' Equity</b>		
Capital stock (Note 3)	291,550	100,000
Contributed surplus (Note 3)	33,900	-
Deficit	(95,253)	(23,371)
	230,197	76,629
	<b>\$ 238,481</b>	<b>\$ 94,545</b>

**On behalf of the Board:**

“Anton J. Drescher”

Director

“Rowland Perkins”

Director

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

**LAMASKA CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)

	<b>Three months Ended October 31, 2020</b>	<b>Three months Ended October 31, 2019</b>	<b>Nine months Ended October 31, 2020</b>	<b>Period from incorporation on February 6, 2019 to October 31, 2019</b>
<b>EXPENSES</b>				
Filing fees	\$ 2,949	\$ -	\$ 20,684	\$ -
Office	1,552	21	1,764	69
Professional fees	1,417	-	27,512	-
Share-based compensation (Note 3 and 4)	-	-	19,700	-
Transfer agent fees	757	-	2,222	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (6,675)</b>	<b>\$ (21)</b>	<b>\$ (71,882)</b>	<b>\$ (69)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>4,500,000</b>	<b>-</b>	<b>2,994,526</b>	<b>-</b>

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**LAMASKA CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)  
FOR THE NINE MONTH PERIOD ENDED OCTOBER 31, 2020

	Share capital		Contributed Surplus	Deficit	Total
	Number of Shares	Capital Stock			
<b>Balance, February 6, 2019 (Incorporation)</b>	<b>1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Repurchase and cancellation of incorporation share	(1)	-	-	-	-
Issuance of common shares	2,000,000	100,000	-	-	100,000
Net loss for the period	-	-	-	(69)	(69)
<b>Balance, October 31, 2019</b>	<b>2,000,000</b>	<b>100,000</b>	<b>-</b>	<b>(69)</b>	<b>99,931</b>
Net loss for the period	-	-	-	(23,302)	(23,302)
<b>Balance, January 31, 2020</b>	<b>2,000,000</b>	<b>100,000</b>	<b>-</b>	<b>(23,371)</b>	<b>76,629</b>
Issuance of common shares	2,500,000	250,000	-	-	250,000
Share issuance cost - cash	-	(44,250)	-	-	(44,250)
Share issuance cost – compensation options	-	(14,200)	14,200	-	-
Share-based compensation	-	-	19,700	-	19,700
Net loss for the period	-	-	-	(71,882)	(71,882)
<b>Balance, October 31, 2020</b>	<b>4,500,000</b>	<b>\$ 291,550</b>	<b>\$ 33,900</b>	<b>\$ (95,253)</b>	<b>230,197</b>

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**LAMASKA CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)

	<b>Nine months ended October 31, 2020</b>	<b>Period from incorporation on February 6, 2019 to October 31, 2019</b>
<b>Cash provided by (used in):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (71,882)	\$ (69)
Items not involving cash		
Share-based compensation	19,700	-
Changes in non-cash working capital		
Commodity tax receivable	(2,342)	-
Accounts payable and accrued liabilities	(9,632)	-
Net cash used in operating activities	(64,156)	(69)
<b>FINANCING ACTIVITIES</b>		
Private placements	250,000	-
Share issuance cost	(32,250)	-
Subscriptions received in advance	-	100,000
Net cash provided by financing activities	217,750	100,000
<b>Change in cash for the period</b>	<b>153,594</b>	<b>99,931</b>
<b>Cash, beginning of period</b>	<b>82,545</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 236,139</b>	<b>\$ 99,931</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -
Fair value of compensation options	\$ 14,200	\$ -
Share issuance costs in prepaid	\$ 12,000	\$ -

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

**1. NATURE OF BUSINESS AND GOING CONCERN**

Lamaska Capital Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on February 6, 2019. The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO” or “Offering”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the Exchange. The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The Company has not commenced operations and has no assets other than cash and prepaid expenses. The Company’s head office is Suite 507, 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6, Canada. The Company’s registered and records office is located at 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Canada.

On July 14, 2020, the Company completed its IPO and started trading on the TSX Venture Exchange (“TSX-V”) under the symbol “LCC.P”.

These condensed interim financial statements have been prepared in accordance with the assumption that the Company 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. The Company has not generated any revenues and its continuing operations as intended are dependent upon its ability to complete a QT as discussed above. These material uncertainties may cast significant doubt on the entity’s ability to continue as a going concern. The financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business. Such adjustments could be material.

COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financing capabilities. The extent to which COVID-19 may impact the Company’s business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the virus. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, these conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The condensed interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting (“IAS34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended January 31, 2020.

The condensed interim financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretation of the International Financial Reporting Interpretation Committee (“IFRIC”).

The policies applied in the condensed consolidated interim financial statements are presented below and are based on IFRS’ issued and outstanding as of December 11, 2020, the date the Board of Directors approved the condensed interim consolidated financial statements. Any subsequent changes to IFRS that are given effect in our annual consolidated financial statements for the year ending January 31, 2021 could result in restatements of these condensed interim consolidated financial statements. None of these standards are expected to have a significant effect on the condensed interim consolidated financial statements.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Estimates, judgments and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continually 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 results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Significant Judgment

- Going concern - The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

**Financial instruments**

The Company classifies all financial instruments as fair value through profit or loss ("FVTPL"), financial assets at fair value through other comprehensive income ("FVTOCI"), financial assets/liabilities at amortized cost. Management determines the classification of its financial assets and liabilities at initial recognition.

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. The Company classifies cash as FVTPL.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the financial asset.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on de-recognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's financial instruments classified as Level 1 are cash and accounts payable. Their carrying values approximate fair value due to their short-term maturity.

**Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Capital stock**

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Earnings (loss) per share**

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

**Share-based payments**

The Company records all share-based payments at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized through profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of 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 use of a valuation model.

Options and warrants issued as consideration in connection with common share placements are recorded at their fair value on the date of issuance as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options, agent options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to share-based payments reserve. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

### **3. CAPITAL STOCK**

#### **Authorized share capital**

Unlimited number of common shares without par value.

#### **Share issuances**

During the period ended October 31, 2020, the Company issued:

- 2,000,000 common shares at a price of \$0.10 per common share for gross proceeds of \$200,000 pursuant to a final prospectus. The Company paid a cash commission of \$20,000, corporate finance fee of \$10,000, other share issuance costs of \$14,250 and granted 200,000 compensation options (valued at \$14,200). Each compensation option is exercisable at a price of \$0.10 expiring on July 14, 2022.
- 500,000 common shares at a price of \$0.10 per common share for gross proceeds of \$50,000.

During the period from incorporation on February 6, 2019 to January 31, 2020, the Company issued:

- 1 common share for \$0.05 upon incorporation. The Company subsequently repurchased this share for the same amount and cancelled the common share; and
- 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000.

#### **Escrow shares**

On October 31, 2020, the Company had 2,000,000 shares held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow upon the closing and acceptance of the Qualifying Transaction (the “Initial Release”) and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

#### **Stock option plan**

The Company has a stock option plan in place under which it is authorized to grant options to directors, senior officers, employees, management company employees, and consultants to acquire up to 10% of the issued and outstanding common shares. Under the plan, the maximum issuance in any 12-month period is limited for any consultant or person providing investor relations services to 2%, and 5% for any other participant. The exercise price of the shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. The options can be granted for a maximum term of ten years. Options issued for investor relations services will be subject to a vesting schedule of at least 12 months whereby no more than 25% of the options granted may vest within any three-month period. All other vesting terms are determined by the Board of Directors.

During period ended October 2020, the Company:

- granted 200,000 compensation options to its brokers pursuant to IPO, exercisable at a price of \$0.10 per share, expiring on July 14, 2022. The estimated fair value of the options is \$14,200.
- granted 200,000 stock options to officers and directors of the Company, exercisable at a price of \$0.10 per share, expiring on July 14, 2030. The estimated fair value of the options is \$19,700.

**LAMASKA CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)  
**FOR THE NINE MONTHS ENDED OCTOBER 31, 2020**

**3. CAPITAL STOCK (cont'd...)**

**Stock option plan (cont'd...)**

A summary of the Company's stock option activity is as follows:

	Options	Weighted Average Exercise Price
<b>Balance, February 6, 2019 (Incorporation) and January 31, 2020</b>	-	\$ -
Granted	400,000	0.10
<b>Balance, October 31, 2020</b>	400,000	\$ 0.10
<b>Exercisable, October 31, 2020</b>	400,000	\$ 0.10

As at October 31, 2020, the Company had the following stock options outstanding:

Options Outstanding	Exercise Price	Expiry Date
200,000	\$0.10	14-July-22
200,000	0.10	14-July-30
400,000		

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended October 31:

	2020	2019
Risk-free interest rate	0.41%	-
Expected life of options	6.00 years	-
Expected annualized volatility	150.00%	-
Expected dividend rate	0.00%	-

**4. RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and Board of Director members.

During the period ended October 31, 2020, the Company recorded share-based compensation of \$19,700 (2019 - \$Nil) related to options granted to officers and directors of the Company.

**5. CAPITAL MANAGEMENT**

The Company defines its capital as shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. There were no changes in the Company's approach to capital management during the period ended October 31, 2020.

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares from the IPO may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or for administrative and general expenses. These restrictions apply until completion of the Company's QT as defined by Exchange Policy 2.4.

**6. FINANCIAL RISK FACTORS**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Cash and accounts payable are carried at a fair value using a level 1 fair value measurement. The carrying value of these financial instruments approximate their fair values due to the short-term nature of the instruments.

*Credit risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfil its obligations. The Company's management believes it has no significant credit risk as its cash is held with a major Canadian financial institution.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At October 31, 2020, the Company had a cash balance of \$236,139 (January 31, 2020 - \$82,545) and \$8,284 (January 31, 2020 - \$17,916) in liabilities. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates prices. The Company is not exposed to any significant market risk at October 31, 2020.