



HempNova Lifetech Corporation

(Formerly Pacific Link Mining Corp.)

Condensed Consolidated Interim Financial Statements **Three and Nine months ended September 30, 2019**

(Unaudited - Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of condensed consolidated 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 condensed consolidated interim financial statements of HempNova Lifetech Corporation have been prepared by and are the responsibility of the Company's management. The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

HempNova Lifetech Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

Dr. Ken Cai
President and CEO

Meng Tang, CPA, CA
Chief Financial Officer

Vancouver, Canada
November 29, 2019

HempNova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Note	September 30, 2019	December 31, 2018
		\$	\$
Assets			
Current assets			
Cash		1,261,139	363,997
Receivables	4	47,460	67,191
Inventory	7	15,742	-
Prepaid		48,313	-
Loan to Aibeida	3	200,000	200,000
		1,572,654	631,188
Non-current assets			
Right of use of asset	2(c)	1,301,129	-
Deposits	2(c)	50,445	-
Property, plant and equipment	5	2,298,094	-
Total assets		5,222,322	631,188
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		201,093	49,345
Customer advance		54,292	-
Due to related parties	6	112,084	1,109
Lease obligation, current	2(c)	324,737	-
		692,206	50,454
Lease obligation, non-current	2(c)	989,150	-
Total liabilities		1,681,356	50,454
Shareholders' equity			
Share capital	8	10,548,862	6,754,150
Reserves		1,768,454	1,768,454
Accumulated other comprehensive income		(606)	-
Deficit		(8,775,744)	(7,941,870)
Total shareholders' equity		3,540,966	580,734
Total shareholders' equity and liabilities		5,222,322	631,188
Nature and continuance of operations (note 1)			
Subsequent events (note 10)			

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

Approved and authorized for issuance by the board of directors on November 29, 2019.

"Ken Cai"
Ken Cai

"Mike Doggett"
Mike Doggett

HempNova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Condensed Consolidated Interim Statements of Operation and Comprehensive Loss

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Expenses	\$	\$	\$	\$
Audit and accounting	9,131	2,000	19,554	4,250
Amortization	77,519	-	93,452	-
Consulting and management fees	85,125	19,000	224,747	23,500
Director's fee	1,500	-	4,500	-
Legal, filing and transfer fees	21,972	28,444	92,635	35,557
Interest accredited	24,297	-	30,111	-
Office and miscellaneous	73,685	839	119,667	6,165
Rent and utilities	21,967	1,451	42,777	2,739
Salaries and benefits	101,666	-	151,701	3,789
Travel	21,168	-	59,255	-
Loss before the following:	(438,030)	(51,734)	(838,399)	(76,000)
Foreign exchange loss	(2,360)	-	(2,477)	-
Interest income	5,231	473	7,002	1,346
Net loss	(435,159)	(51,261)	(833,874)	(74,654)
Other comprehensive loss:				
Exchange gain (loss) on translating foreign operations	23,282	-	(606)	-
Comprehensive loss	(411,877)	(51,261)	(834,480)	(74,654)
Loss per share, basic and diluted	(0.01)	(0.00)	(0.02)	(0.00)
Weighted average number of common shares outstanding	40,200,853	24,325,853	36,862,103	20,552,959

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

HempNova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the nine months ended September 30, 2019 and 2018

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Number of Outstanding Shares	Share Capital	Reserve	Deficit	Accumulated comprehensive loss	Total
		\$	\$	\$	\$	\$
Balance, December 31, 2017	14,325,853	6,256,599	1,768,454	(7,738,247)	-	286,806
Private placement	10,000,000	500,000	-	-	-	500,000
Share issuance costs	-	(2,449)	-	-	-	(2,449)
Net loss for the period	-	-	-	(74,654)	-	(74,654)
Balance, September 30, 2018	24,325,853	6,754,150	1,768,454	(7,812,901)	-	709,703
Balance, December 31, 2018	24,325,853	6,754,150	1,768,454	(7,941,870)	-	580,734
Insurance of shares, net of finder's fees (note 8)	20,975,000	3,794,712	-	-	-	3,794,712
Other comprehensive loss	-	-	-	-	(606)	(606)
Net loss for the period	-	-	-	(833,874)	-	(833,874)
Balance, September 30, 2019	45,300,853	10,548,862	1,768,454	(8,775,744)	(606)	3,540,966

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

HempNova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Nine months ended September 30,	
	2019	2018
	\$	\$
Operating activities		
Loss for the period	(833,874)	(74,654)
Adjustments for:		-
Amortization	93,452	-
Foreign exchange loss	2,477	-
Interest accredited (note 2(c))	30,111	-
Changes in items of working capital		-
Accounts payable and accrued liabilities	151,748	(10,130)
Customer advance	54,292	-
Due to related parties	110,975	2,324
Inventory	(15,742)	-
Loan receivable	-	(100,000)
Prepaid	(48,313)	-
Receivables	19,731	(27,940)
Cash used in operating activities	(435,143)	(210,400)
Financing activities		
Share issuance	3,794,712	497,551
Payment of lease obligation (note 2(c))	(92,630)	-
Cash provided by financing activities	3,702,082	497,551
Investing activities		
Purchase of Property, plant and equipment	(2,316,238)	-
Payment of deposit and prepayment	(50,445)	-
Purchase of short-term investment	-	(250,000)
Cash used in investing activities	(2,366,683)	(250,000)
Effect of exchange rate on cash and cash equivalent	(3,114)	-
Increase in cash	897,142	37,151
Cash, beginning of period	363,997	300,191
Cash, end of period	1,261,139	337,342

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

HempNova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

1. Nature and Continuance of Operations

HempNova Lifetech Corporation (formerly Pacific Link Mining Corp.) (the “Company”) was incorporated in British Columbia in October 1989. The Company changed its name to HempNova Lifetech Corporation on May 2, 2019. The registered address, head office, principal address and records office of the Company are located at 2060 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

The Company, through its wholly owned subsidiary HempNova Lifetech (Oregon) Corp., is currently pursuing a change of business as a life science company, engaging in industrial hemp related services and products. HempNova Lifetech (Oregon) Corp. was incorporated in Oregon, USA.

These interim financial statements have been prepared on the going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Several adverse conditions cast substantial doubt on the Company’s ability to continue as a going concern. The Company has incurred recurring operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available. The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders.

These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements.

Management plans to continue to pursue equity or debt financing to support operations. There can be no assurance that management’s plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company’s ability to continue as a going concern will be impaired. The outcome of these matters cannot be predicted at this time.

2. Basis of Presentation and Significant Accounting Policies

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2018.

(b) basic of presentation

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

These condensed consolidated financial statements incorporate the accounts of the Company and its wholly owned subsidiaries, HempNova Lifetech (Oregon) Corp. that was acquired on April 1, 2019.

Hempnova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

2. Basis of Presentation and Significant Accounting Policies (Continued)

(b) basic of presentation(continued)

A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investees. All intercompany transactions and balances have been eliminated on consolidation.

These condensed consolidated interim financial statements were approved by the board of directors for issuing on November 29, 2019.

(c) Adoption of new accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual financial statements for the recent year ended December 31, 2018 except the adoption of IFRS 16-Leases. Details are as follows:

IFRS 16, "Leases" ("IFRS 16"), sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees, thereby removing the distinction between operating and finance leases. IFRS 16 requires a lessee to recognize an asset (right-to-use the leased item) and a financial liability to pay rentals on the consolidated balance sheets with terms of more than 12-months, unless the underlying asset is of low value.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard: [i] the transition application practical expedient allowing the standard to only be applied to contracts that were previously identified as leases applying IAS 17, [ii] the transition application practical expedient to elect to not apply IFRS 16 to leases that expired within 12 months following the adoption date of January 1, 2019; [iii] the recognition exemption to not apply IFRS 16 to lease contracts for which the underlying asset is of low value, and [iv] the recognition exemption to not apply IFRS 16 to lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate, which is 8% for the Company.

As at September 30, 2019, the Company's recognized right of use asset was mainly comprised of the present values of all future lease payments of two leases in Oregon, USA for its manufacturing facilities.

The first lease has a term of 5 years (ending May 31, 2024) with monthly rent of \$17,991 (US\$ 13,738) with annual increment of 1.5%.

A deposit of \$29,646 has been placed in connection with this lease.

Hempnova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018*(Unaudited, expressed in Canadian dollars, unless otherwise stated)***2. Basis of Presentation and Significant Accounting Policies (continued)**

(c) Adoption of new accounting policies (continued)

The continuity of the asset and liabilities are as follow:

Right of use asset, January 1, 2019		\$	-
Addition			881,900
Amortization			(58,794)
Right of use asset, September 30, 2019		\$	823,106

	Non-current	Current	Total
	\$	\$	\$
Lease obligation, January 1, 2019	-	-	-
Addition	671,841	210,059	881,900
Interest accredited	23,518	-	23,518
Lease payment made	(72,767)	-	(72,767)
Lease obligation, September 30, 2019	622,592	210,059	832,651

The second lease has a term of 5 years (ending August 14, 2024) with monthly rent of \$9,931 (US\$ 7,500).

A deposit of \$20,799 has been placed in connection with this lease.

The continuity of the asset and liabilities are as follow:

Right of use asset, January 1, 2019		\$	-
Addition			494,506
Amortization			(16,483)
Right of use asset, September 30, 2019		\$	478,023

	Non-current	Current	Total
	\$	\$	\$
Lease obligation, January 1, 2019	-	-	-
Addition	379,828	114,678	494,506
Interest accredited	6,593	-	6,593
Lease payment made	(19,863)	-	(19,863)
Lease obligation, September 30, 2019	366,558	114,678	481,236

Hempnova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

3. Aibeida Transaction

On September 18, 2018, the Company entered into a share exchange agreement (the “Definitive Agreement”) with Aibeida Lifetech Limited (“Aibeida”), Hang Zhou Aibeida Technologies Co. Ltd. (“HZAT”), Clever Splendor Limited (“Clever Splendor”) and H.K. Gimaras Industrial Co. Ltd. (“Gimaras”) pursuant to which the Company would acquire all of the issued and outstanding shares of Aibeida from Clever Splendor and Gimaras (the “Aibeida Transaction”) (Note 10).

As at September 30, 2019, the Company has an outstanding loan to Aibeida of \$200,000 (the “Loan”). The Loan is interest free and repayable on demand in the event that the Aibeida Transaction is terminated. Aibeida shareholders have pledged all outstanding shares of Aibeida as security for repayment of the Loan. The Company has also advanced \$38,497 to Aibeida and CBD 99 Inc. which is a wholly owned subsidiary of Aibeida. This advance is non-interest bearing, unsecured and payable on demand. This amount is included in receivables as outlined in note 4.

4. Receivables

	September 30, 2019	December 31, 2018
	\$	\$
Deposit receivable	1,313	35,915
Advance to CBD 99, Inc.	38,497	26,607
GST receivable	7,650	4,669
	47,460	67,191

5. Property, plant and equipment

As at September 30, 2019, the Company had the following property, plant and equipment which had been purchased in the nine months period ended September 30, 2019.

	Leasehold improvement	Machinery and equipment	Vehicle	Total
Cost	705,734	1,563,734	46,770	2,316,238
Accumulated amortization	-	(9,805)	(8,339)	(18,144)
	705,734	1,553,929	38,431	2,298,094

6. Related Parties Transactions

The Company, Minco Capital Corp. (“Minco Capital”) and Minco Base Metals Corp. (“MBM”) are related as all entities have some management team members and certain directors in common.

(a) Transactions with related parties

During the nine months ended September 30, 2019, the Company incurred \$7,200 (2018 - \$6,856) to Minco Capital for reimbursement of shared office and rent expenses for the headquarter in Vancouver.

Hempnova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

6. Related Parties Transactions (Continued)

(b) Key management personnel compensation

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Accounting, consulting and management fees	93,804	21,000	188,804	27,750
	93,804	21,000	188,804	27,750

(c) Due to related parties

As at September 30, 2019, the Company's amount payable to related parties are as follow:

- MBM of \$42,233 (December 31, 2018 - \$Nil),
- Minco Capital of \$6,144 (December 31, 2018 - \$1,109),
- the Company's CEO of \$63,707 (December 31, 2018 - \$Nil).

Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

(d) Trust arrangement with Zhongjia Kailong

The Company has been purchasing substantial amount of manufacturing equipment from suppliers in China for its newly established manufacturing facilities in Oregon, USA. In order to facilitate such purchases, the Company entered into a trust agreement (the "Trust Agreement") with Beijing Zhongjia Kailong Technology Development Co. Ltd. ("Zhongjia"), a Chinese registered entity controlled by a brother of the Company's CEO. The Company transferred \$1,500,000 to Zhongjia's bank account. Zhongjia has processed all the purchase orders and payments on behalf of the Company for the production equipment acquired. As at September 30, 2019, the amount held by Zhongjia on behalf of the Company was \$260,171.

7. Inventory

As at September 30, 2019, the Company's inventory comprised of raw materials for future production in an amount of \$15,742.

8. Share Capital and Reserves

(a) Share capital

Authorized share capital - unlimited number of common shares without par value.

In April 2019, the Company issued 2,975,000 common shares for exercise of warrants at \$0.08 per share for gross proceeds of \$238,000.

In May, 2019, the Company issued 9,500,000 common shares at \$0.20 per share through a non-brokered private placement of which 7,500,000 shares were subscribed by MBM. The Company received gross proceeds of \$1,900,000 and paid finder's fees of \$20,000 to an arm's length entity.

Hempnova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

8. Share Capital and Reserves (Continued)

(a) Share capital (continued)

In August 2019, the Company issued 1,000,000 common shares for \$264,969 (US \$200,000 at US\$0.20 per share). Finders' fees of \$13,257 (US\$10,000) were paid.

In September, 2019 the Company issued 7,500,000 common shares for \$1,500,000 (\$0.20 per share) received in the first quarter of 2019. Finders' fees of \$75,000 were paid.

(b) Warrants

On December 31, 2018, the Company had 5,000,000 warrants outstanding with an exercise price of \$0.08 per share. 2,975,000 warrants were exercised and 2,025,000 warrants expired. As at September 30, 2019, there was no warrants outstanding.

(c) Options

The Company does not have any stock options outstanding as at September 30, 2019 and December 31, 2018.

9. Financial Instruments

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to the short term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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 cash is a Level-1 financial asset. The Company does not have Level 2 and Level 3 financial instruments.

Hempnova Lifetech Corporation (formerly Pacific Link Mining Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

9. Financial Instruments (Continued)

Financial assets and liabilities included in the statements of financial position are as follows:

	September 30, 2019	December 31, 2018
Financial assets:		
Fair value through profit or loss:		
Cash	\$ 1,261,139	\$ 363,997
Amortized cost:		
Receivables	39,810	62,522
Loan receivable	\$ 200,000	\$ 200,000
Financial liabilities:		
Amortized cost:		
Accounts payable and accrued liabilities	\$ 201,093	\$ 49,345
Customer advance	54,292	-
Due to related parties	\$ 112,084	\$ 1,109

10. Subsequent events

On November 27, 2019, the Definitive Agreement was terminated due to breaches of the Definitive Agreement by Aibeida and its shareholders. The Company is seeking to recover damages, receivables and loan receivable from Aibeida, Clever Splendor and Gimaras.