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**CLUNY CAPITAL CORP.**  
**(a capital pool company)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**THREE AND SIX MONTHS ENDED**  
**JUNE 30, 2020**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim financial statements of Cluny Capital Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

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

	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Funds in trust (note 3)	\$ 223,416	\$ 92,126
<b>Total assets</b>	<b>\$ 223,416</b>	<b>\$ 92,126</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 36,077	\$ 27,209
Convertible debentures (note 4)	45,869	51,417
<b>Total liabilities</b>	<b>81,946</b>	<b>78,626</b>
<b>Equity</b>		
Share capital (note 5)	926,642	740,322
Stock option reserves (note 6)	119,210	119,210
Contributed surplus	76,444	55,992
Deficit	(980,826)	(902,024)
<b>Total equity</b>	<b>141,470</b>	<b>13,500</b>
<b>Total liabilities and equity</b>	<b>\$ 223,416</b>	<b>\$ 92,126</b>

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

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**Cluny Capital Corp.****Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Expenses</b>				
Professional expenses	\$ 14,559	\$ 11,894	\$ 66,589	\$ 17,293
Listing fees	973	3,847	4,771	5,260
Accretion (note 4)	2,517	1,848	5,752	5,486
Interest expense (note 4)	854	622	1,690	1,458
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (18,903)</b>	<b>\$ (18,211)</b>	<b>\$ (78,802)</b>	<b>\$ (29,497)</b>
<b>Basic and diluted net loss for the period (note 8)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>9,758,361</b>	<b>6,933,700</b>	<b>9,500,367</b>	<b>6,933,700</b>

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

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**Cluny Capital Corp.****Condensed Interim Statements of Changes in Equity****Three and Six Months Ended June 30, 2020****(Expressed in Canadian Dollars)****(Unaudited)**

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	Share Capital		Stock Option Reserves	Contributed Surplus	Accumulated Deficit	Total
	Number of Shares	Amount				
<b>Balance, December 31, 2018</b>	<b>9,233,700</b>	<b>\$ 740,322</b>	<b>\$ 119,210</b>	<b>\$ 44,146</b>	<b>\$ (765,726)</b>	<b>\$ 137,952</b>
Net loss and comprehensive loss for the period	-	-	-	-	(29,497)	(29,497)
<b>Balance, June 30, 2019</b>	<b>9,233,700</b>	<b>\$ 740,322</b>	<b>\$ 119,210</b>	<b>\$ 44,146</b>	<b>\$ (795,223)</b>	<b>\$ 108,455</b>
<b>Balance, December 31, 2019</b>	<b>9,233,700</b>	<b>\$ 740,322</b>	<b>\$ 119,210</b>	<b>\$ 55,992</b>	<b>\$ (902,024)</b>	<b>\$ 13,500</b>
Private placemen (note 5)	4,400,000	220,000	-	-	-	220,000
Share issue costs (note 5)	-	(33,680)	-	9,152	-	(24,528)
Equity component of convertible debenture (note 4)	-	-	-	11,300	-	11,300
Net loss and comprehensive loss for the period	-	-	-	-	(78,802)	(78,802)
<b>Balance, June 30, 2020</b>	<b>13,633,700</b>	<b>\$ 926,642</b>	<b>\$ 119,210</b>	<b>\$ 76,444</b>	<b>\$ (980,826)</b>	<b>\$ 141,470</b>

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

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**Cluny Capital Corp.****Condensed Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

<b>Six Months Ended June 30,</b>	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Net loss for the period	\$ (78,802)	\$ (29,497)
Accretion	5,752	5,486
Non-cash working capital items:		
Accounts payable and accrued liabilities	(5,060)	(1,447)
<b>Net cash used in operating activities</b>	<b>(78,110)</b>	<b>(25,458)</b>
<b>Financing activities</b>		
Issuance of common shares (note 5)	220,000	-
Share issue costs	(10,600)	-
<b>Net cash provided by financing activities</b>	<b>209,400</b>	<b>-</b>
<b>Net change in cash</b>	<b>131,290</b>	<b>(25,458)</b>
<b>Cash, beginning of period</b>	<b>92,126</b>	<b>202,043</b>
<b>Cash, end of period</b>	<b>\$ 223,416</b>	<b>\$ 176,585</b>

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

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# Cluny Capital Corp.

## Notes to Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. Business of the Company and going concern

Cluny Capital Corp. (the "**Company**") was incorporated under the *Business Corporations Act (Ontario)* on August 11, 2011 and is classified as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 Capital Pool Companies ("**Policy 2.4**") of the TSX Venture Exchange Inc. (the "**Exchange**"). The Company has no significant assets. The Company proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction (as such term is defined in Policy 2.4).

Effective March 13, 2017, the Company was transferred to the NEX trading board of the Exchange. In connection with the transfer to the NEX, a total of 500,001 common shares of the Company issued to non-arm's length parties that constituted "seed shares" under Policy 2.4 have been cancelled. The trading symbol for the Company was changed from CLN.P to CLN.H.

The registered office of the Company is located at 1 First Canadian Place, 100 King Street West, Suite 6000, Toronto, Ontario M5X 1E2.

On August 29, 2020, the directors of the Company approved the unaudited condensed interim financial statements for the six months ended June 30, 2020.

These unaudited condensed interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the six months ended June 30, 2020, the Company reported a net loss of \$78,802 (six months ended June 30, 2019 - \$29,497), used net cash in operating activities of \$78,110 (six months ended June 30, 2019 - \$25,458) and has an ending cash balance of \$223,416 (December 31, 2019 - \$92,126). The Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations or to obtain additional financing. However, there is no assurance that the outcome of these matters will be successful and, as a result, there are material uncertainties that might cause significant doubt regarding the going concern assumption.

These unaudited condensed interim financial statements do not give effect to any adjustments which would be necessary 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 different from those reflected in the accompanying unaudited condensed interim financial statements. Such adjustments could be material.

### 2. Basis of presentation

#### *Statement of compliance*

These unaudited condensed interim financial statements present the Company's financial results of operations and financial position under International Financial Reporting Standards ("IFRS") as at and for the three and six months ended June 30, 2020, including 2019 comparatives. As a result, they have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim financial statements should be read in conjunction with the Company's 2019 annual audited financial statements prepared in accordance with IFRS.

The accounting policies adopted in these unaudited condensed interim financial statements are consistent with those disclosed in the Company's audited financial statements for the year ended December 31, 2019, except for the accounting standards implemented below.

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## Cluny Capital Corp.

### Notes to Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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## 2. Basis of presentation (continued)

### *Adoption of new accounting policies*

Amendments to IAS 1 - Presentation of financial statements ("IAS 1") and IAS 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8")

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The Company adopted the amendments to IAS 1 effective January 1, 2020, which did not have a material impact on the Company's unaudited condensed interim financial statements.

## 3. Cash restriction

The proceeds raised from the issuance of common shares, prior to completion of the Qualifying Transaction, 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 and \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company. The Company has exceeded this limit. The impact of this violation, if any, is unknown and is ultimately dependent on the Exchange.

## 4. Convertible debentures

On June 6, 2018, the Company completed securities for debt transactions with two arm's length service providers. Pursuant to the transactions the Company issued an aggregate of \$56,500 of unsecured convertible debentures in satisfaction of \$56,500 of indebtedness. The convertible debentures, which matured on June 6, 2019 and accrued interest at 6% per annum and the principal amount is automatically convertible into an aggregate of 941,666 common shares of the Company at a deemed price of \$0.06 per share concurrent with the closing of a Qualifying Transaction. The Company determined to satisfy the indebtedness with convertible debentures in order to preserve its cash for use on working capital and the identification and evaluation of a Qualifying Transaction. The convertible debentures issued in satisfaction of the indebtedness are subject to a four month hold period from the date of issuance.

The convertible debentures that matured on June 6, 2019 were separated into its liability component of \$44,654 and equity component of \$11,846 using the effective interest rate method with an effective interest rate of 25% per annum.

### 2019 Agreement

Effective June 6, 2019, the convertible debentures were amended by extending the maturity date from June 6, 2019 to June 6, 2020. As a result, the Company extinguished these two convertible debentures when they matured on June 6, 2019 and treated them as two new convertible debentures with a maturity date of June 6, 2020. The Company calculated the fair value of the conversion feature and re-allocated the convertible debentures into two components, with the debentures carried at amortized cost, and the conversion feature carried at fair value. The convertible debentures that mature on June 6, 2020 were separated into its liability component of \$44,654 and equity component of \$11,846 using the effective interest rate method with an effective interest rate of 25% per annum.

**Cluny Capital Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Three and Six Months Ended June 30, 2020**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**4. Convertible debentures (continued)**

2020 Agreement

Effective June 6, 2020, the \$56,500 principal amount convertible debentures, originally issued by the Company in June 2018, were amended by extending the maturity date from June 6, 2020 to June 6, 2021. As a result, for accounting purposes, the Company extinguished these two convertible debentures when they matured on June 6, 2020 and treated them as two new convertible debentures with a maturity date of June 6, 2021. The Company calculated the fair value of the conversion feature and re-allocated the convertible debentures into two components, with the debentures carried at amortized cost, and the conversion feature carried at fair value. The convertible debentures that mature on June 6, 2021 were separated into its liability component of \$45,200 and equity component of \$11,300 using the effective interest rate method with an effective interest rate of 22.5% per annum. The convertible debentures were settled for shares subsequent to the six months ended June 30, 2020 (note 10).

During the three and six months ended June 30, 2020, the Company recorded an accretion expense of \$2,517 and \$5,752 respectively (three and six months ended June 30, 2019 - \$1,848 and \$5,486 respectively) and an interest expense of \$854 and \$1,690 (three and six months ended June 30, 2019 - \$622 and \$1,458 respectively).

**5. Share capital**

a) Authorized share capital

Authorized unlimited common shares

b) Common shares issued

	Number of Common Shares	Amount (\$)
<b>Balance, December 31, 2018 and June 30, 2019</b>	<b>9,233,700</b>	<b>740,322</b>
<b>Balance, December 31, 2019</b>	<b>9,233,700</b>	<b>740,322</b>
Private placement	4,400,000	220,000
Cost of issue	-	(33,680)
<b>Balance, June 30, 2020</b>	<b>13,633,700</b>	<b>926,642</b>

As of June 30, 2020, there are 2,300,000 (December 31, 2019 - 2,300,000) common shares held in escrow, and the weighted average shares outstanding does not include shares held in escrow as they are contingently returnable.

On June 19, 2020 the Company closed a non-brokered private placement for gross proceeds of \$220,000 through the issuance of 4,400,000 common shares at a price of \$0.05 per share. In connection with the private placement the Company recorded finder's fees of an aggregate of \$17,600, issued compensation options for 352,000 common shares at \$0.05 per share for 24 months with a fair value of \$9,152 (note 7), and recorded legal fees of \$6,928 (note 9).

## Cluny Capital Corp.

Notes to Condensed Interim Financial Statements  
Three and Six Months Ended June 30, 2020  
(Expressed in Canadian Dollars)  
(Unaudited)

### 6. Stock options

The Company issued stock options to acquire common shares as follows:

	Number of Stock Options	Weighted Average Exercise Price (\$)
<b>Balance, December 31, 2018 and June 30, 2019</b>	<b>773,370</b>	<b>0.06</b>
<b>Balance, December 31, 2019 and June 30, 2020</b>	<b>773,370</b>	<b>0.06</b>

The following table reflects the actual stock options issued and outstanding as of June 30, 2020:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
May 23, 2028	0.06	7.90	323,370	323,370	-
June 6, 2028	0.06	7.94	450,000	450,000	-
	0.06	8.02	773,370	773,370	-

### 7. Warrants

The Company issued stock options to acquire common shares as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
<b>Balance, December 31, 2018 and June 30, 2019</b>	<b>-</b>	<b>-</b>
<b>Balance, December 31, 2019</b>	<b>-</b>	<b>-</b>
Granted <sup>(1)</sup>	352,000	0.05
<b>Balance, June 30, 2020</b>	<b>352,000</b>	<b>0.05</b>

<sup>(1)</sup> The warrants issued were assigned an aggregate fair value of \$9,152 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 83.8%, risk-free rate of return 0.30% and expected life of 2 years.

The following table reflects the warrants issued and outstanding as of June 30, 2020:

Expiry Date	Exercise Price (\$)	Number of Options Outstanding
June 22, 2022	0.05	352,000
	0.05	352,000

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## Cluny Capital Corp.

### Notes to Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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#### 8. Net loss per share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2020 was based on the loss attributable to common shareholders of \$18,903 and \$78,802, respectively (three and six months ended June 30, 2019 - loss of \$18,211 and \$29,497) and the weighted average number of common shares outstanding of 9,758,361 and 9,500,367 respectively (three and six months ended June 30, 2019 - 6,933,700).

Diluted loss per share did not include the effect of 773,370 stock options and 352,000 warrants as they were anti-dilutive (three and six months ended June 30, 2019 - 773,370 stock options and nil warrants) as they are anti-dilutive.

#### 9. Related party transactions

Related parties include the directors of the Company, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the three and six months ended June 30, 2020, the Company incurred \$9,477 and \$61,507 respectively (three and six months ended June 30, 2019 - \$8,133 and \$9,103 respectively) in legal fees, disbursements and harmonized sales tax to a law firm where an officer (Robbie Grossman) of the Company is a partner. Additionally during the three and six months ended June 30, 2020 the Company incurred \$6,928 (three and six months ended June 30, 2019 - \$nil) of legal fees which were included in share issuance costs and are payable as at June 30, 2020. As at June 30, 2020, \$14,516 (December 31, 2019 - \$7,557) was payable to the firm, in respect of legal fees, disbursements and harmonized sales tax.

#### 10. Subsequent events

On July 28, 2020, the Company closed two shares for debt transactions, whereby the Company issued 1,058,535 common shares at a deemed price of \$0.06 per share in satisfaction of \$63,512 of indebtedness currently owed to two arm's length parties pursuant to the \$56,500 principal amount convertible debentures.

On July 30, 2020, the Company announced that it has entered into a binding letter of intent dated July 28, 2020 with Teonan Biomedical Inc. ("**Teonan**") for the proposed combination of the two companies (the "**Proposed Transaction**"). The Proposed Transaction is intended to constitute the Company's Qualifying Transaction (as such term is defined by the Exchange) and would result in a reverse take-over of the Company by Teonan.