



Unaudited Condensed Consolidated Financial Statements

September 30, 2018

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
CONDENSED INTERIM STATEMENTS OF CASH FLOW
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**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 an auditor has not reviewed the financial statements.

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.

MIDASCO CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Expressed in Canadian Dollars

	Note	September 30, 2018	December 31, 2017
ASSETS			
Current assets			
Cash		114,533	85,353
Other receivables		-	-
TOTAL ASSETS		114,533	85,353
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		16,409	81,000
Due to related parties	5	57,500	46,500
		73,909	127,500
SHAREHOLDERS' DEFICIT			
Share capital	4	13,949,715	13,806,021
Reserves	4	1,838,157	1,838,157
Accumulated deficit		(15,747,248)	(15,686,325)
		40,624	(42,147)
TOTAL LIABILITIES & SHAREHOLDERS' DEFICIT		114,533	85,353

The accompanying notes are integral to these interim financial statements.

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board of Directors:

/s/ William Pettigrew

Director

/s/ Ryan Cheung

Director

MIDASCO CAPITAL CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
Expressed in Canadian Dollars

	Share Capital		Reserves			Accumulated Deficit	Total
	Number of Shares	Amount \$	Equity settled benefits \$	Warrants \$	Other		
Balance, December 31, 2016	7,720,632	13,668,521	1,445,965	292,192	100,000	(15,605,689)	(99,011)
Private placement	2,500,000	137,500	-	-	-	-	137,500
Loss for the year	-	-	-	-	-	(49,576)	(49,576)
Balance, September 30, 2017	10,220,632	13,806,021	1,445,965	292,192	100,000	(15,655,265)	(11,087)
Balance, December 31, 2017	10,220,632	13,806,021	1,445,965	292,192	100,000	(15,686,325)	(42,147)
Warrant exercises	2,052,728	143,694	-	-	-	-	143,694
Loss for the period	-	-	-	-	-	(60,923)	(60,923)
Balance, September 30, 2018	12,273,360	13,949,715	1,445,965	292,192	100,000	(15,747,248)	40,624

The accompanying notes are integral to these interim financial statements.

MIDASCO CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

Expressed in Canadian Dollars

		For three months ended		For nine months ended	
	Note	September 30		September 30	
		2018	2017	2018	2017
		\$	\$	\$	\$
EXPENSES					
Consulting and management fees	5	13,250	13,500	45,000	21,944
Investor relations		1,314	1,266	3,429	2,310
Office and general		988	5,122	2,830	6,875
Professional fees	5	3,000	-	(1,017)	8,000
Transfer agent and filing fees		2,666	727	10,578	7,032
Travel and promotion		-	157	103	3,615
		(21,218)	(20,772)	(60,923)	(49,576)
TOTAL COMPREHENSIVE LOSS					
		(21,218)	(20,772)	(60,923)	(49,576)
Weighted Average Number of Shares Outstanding					
		12,273,360	10,220,632	11,401,139	9,149,203
Basic and Diluted Loss Per Share					
		(0.00)	(0.00)	(0.00)	(0.00)

The accompanying notes are integral to these interim financial statements.

MIDASCO CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOW
Expressed in Canadian Dollars

	For the nine months ended	
	September 30	
	2018	2017
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	(60,923)	(49,576)
Changes in non-cash working capital items:		
Other receivables		1,192
Prepaid expenses		(600)
Accounts payable and accrued liabilities	(53,591)	1,108
	(114,514)	(47,876)
CASH FLOWS FROM IN FINANCING ACTIVITIES		
Proceeds from warrant exercises	143,694	-
Gross proceeds from private placement	-	137,500
	143,694	137,500
Net increase (decrease) in cash	29,180	89,624
Cash, beginning of the period	85,353	5,960
Cash, end of the period	114,533	95,584

The accompanying notes are integral to these interim financial statements.

1. NATURE OF OPERATIONS

Midasco Capital Corp. is a Canadian resident company listed on the NEX board of the TSX Venture Exchange and trades under the symbol MGC.H. The Company's head office is at 12216 Boundary Drive North, Surrey, B.C., Canada.

The financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue its operations and will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business is dependent upon continued financial support from related parties, the ability of the Company to raise equity financing to continue operations, and successfully identifying a new business opportunity for the Company. These uncertainties may cast significant doubt on the ability of the Company to continue operations as a going concern. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company were not expected to continue operations for the foreseeable future.

The Company will seek additional financing through related party loans and equity raises. As at September 30, 2018, the Company had working capital of \$40,624 (2017 – \$42,147 deficit) and accumulated losses of \$15,747,248 (2017 - \$15,686,325).

2. BASIS OF PRESENTATION

Statement of compliance with International Financial Reporting Standards

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of November 9, 2018, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2017, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed consolidated interim financial statements.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Accounting standards issued but not yet effective:

IFRS 9 "Financial Instruments" is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

MIDASCO CAPITAL CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Expressed in Canadian Dollars

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact this new standard will have on its financial statements.

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 financial statements.

3. FINANCIAL RISK AND CAPITAL MANAGEMENT

Classification of financial instruments

	Ref.	September 30, 2018	December 31, 2017
		\$	\$
FVTPL financial asset	a	73,909	85,353
Other financial liabilities	b	114,533	127,500

a. Comprises cash.

b. Comprises accounts payable and due to related parties.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Management of Industry and Financial Risk

The Company was engaged primarily in mineral exploration and managed related industry risk issues directly. The Company is currently inactive and seeking new business opportunities. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its prior operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise refundable sales tax credits from the Canadian federal government.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in-order to meet short-term operating requirements, after taking into account the Company's holdings of cash. Liquidity risk has been assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have any direct exposure to foreign exchange risk.

Interest Rate Risk

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

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash and cash equivalents. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

4. SHARE CAPITAL AND RESERVES

Share Capital

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

For the period ended September 30, 2018

On April 26, 2018, 2,052,728 share purchase warrants were exercised for gross proceeds of \$143,694.

For year ended December 31, 2017

There was no share capital activity during this period.

Stock Options

The Company has a fixed stock option plan, approved by the Board of Directors and by the shareholders at the annual general meeting held on May 8, 2009, that allows the Company to grant incentive stock options to its directors, officers, employees and consultants. Under the stock option plan, the number of shares reserved for issuance cannot exceed 681,955 common shares. The exercise price, term (not to exceed ten years) and vesting provisions are authorized by the Board of Directors at the time of the grant. Stock options granted are subject to various vesting terms. There were no stock options outstanding at September 30, 2018.

Warrants

On April 26, 2018, 2,052,728 share purchase warrants were exercised while the remaining warrants 447,272 share purchase warrants expired on April 27, 2018.

Equity settled benefits and warrant reserve

Equity settled benefits 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. If the options expire unexercised, the amount remains in reserves. Warrant reserve records the value of warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount remains in reserves.

5. RELATED PARTY TRANSACTIONS

The value of transactions and outstanding balances relating to key officers and directors and entities over which they have control or significant influence were as follows:

As at September 30, 2018, \$32,500 (2017 - \$31,500) is due to EINRA Capital Corp. a private company controlled by a director; this balance is included in amounts due to related parties. EINRA Capital Corp. charged \$22,500 (2017 - \$NIL) in consulting, and \$13,500 (2017 - \$NIL) administration charges to the Company for the period ended September 30, 2018.

As at September 30, 2018, \$10,000 (2017 - \$9,000) is due to Midland Management Ltd., a private company controlled by a director for the consulting fees charged to the Company; this balance is included in amounts due to related parties. Midland Management Ltd charged \$9000 (2017 - \$NIL) in professional fees during the period ended September 30, 2018.

As at September 30, 2018, \$15,000 (2017 - \$6,000) is due to Burton Egger, an insider of the Company for the consulting fees charged to the Company; this balance is included in amounts due to related parties. Burton Egger charged \$9,000 (2017 - \$NIL) in consulting fees during the period ended September 30, 2018.

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