



**Condensed Interim Financial Statements**

**September 30, 2022  
(unaudited)**

**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 - Unaudited

	Note	September 30, 2022	December 31, 2022
<b>ASSETS</b>		\$	\$
<b>Current assets</b>			
Cash		144,113	182,677
Sales tax receivable		1,612	1,785
Prepaid expense		788	346
<b>TOTAL ASSETS</b>		<b>146,513</b>	<b>184,808</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		-	5,013
Due to related parties	5	-	345
		-	5,358
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>			
Share capital	4	14,367,866	14,367,866
Reserves	4	1,838,157	1,838,157
Accumulated deficit		(16,059,510)	(16,026,573)
		146,513	179,450
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY (DEFICIT)</b>		<b>146,513</b>	<b>184,808</b>

*Nature and continuance of operations (Note 1)*

**Approved on Behalf of the Board of Directors:**

/s/ William Pettigrew  
Director

/s/ Ryan Cheung  
Director

*The accompanying notes are integral to these condensed interim financial statements.*

**MIDASCO CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)**  
Expressed in Canadian Dollars - Unaudited

	Share Capital		Reserves			Accumulated Deficit	Total	
	Note	Number of Shares	Amount \$	Equity settled benefits \$	Warrants \$			Other
<b>Balance, December 31, 2019</b>		<b>12,273,360</b>	<b>13,949,715</b>	<b>1,445,965</b>	<b>292,192</b>	<b>100,000</b>	<b>(15,952,551)</b>	<b>(164,679)</b>
Private placement		2,500,000	250,000	-	-	-	-	250,000
Shares issued for debt		1,695,000	169,500	-	-	-	-	169,500
Loss for the period		-	-	-	-	-	(62,540)	(62,540)
<b>Balance, September 30, 2021</b>		<b>16,468,360</b>	<b>18,144,715</b>	<b>1,445,965</b>	<b>292,192</b>	<b>100,000</b>	<b>16,015,091</b>	<b>192,281</b>
<b>Balance, December 31, 2021</b>		<b>16,468,360</b>	<b>14,367,866</b>	<b>1,445,965</b>	<b>292,192</b>	<b>100,000</b>	<b>(16,026,573)</b>	<b>179,450</b>
Loss for the period		-	-	-	-	-	(32,937)	(32,937)
<b>Balance, September 30, 2022</b>		<b>16,468,360</b>	<b>14,367,866</b>	<b>1,445,965</b>	<b>292,192</b>	<b>100,000</b>	<b>16,059,510</b>	<b>146,513</b>

*The accompanying notes are integral to these condensed interim financial statements.*

**MIDASCO CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

Expressed in Canadian Dollars - Unaudited

	Note	For the three months ended September 30		For the nine months ended September 30	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>EXPENSES</b>					
Consulting fees	5	-	-	-	7,250
Office and general	5	3,557	3,903	8,700	11,393
Professional fees	5	3,101	20,799	12,098	29,378
Transfer agent and filing fees		3,901	4,247	12,139	14,519
<b>NET LOSS AND COMPREHENSIVE LOSS</b>		<b>(10,559)</b>	<b>(28,949)</b>	<b>(32,937)</b>	<b>(62,540)</b>
<b>Weighted Average Number of Shares Outstanding</b>		<b>16,468,360</b>	14,218,360	<b>16,468,360</b>	<b>13,229,166</b>
<b>Basic and diluted loss per share</b>		<b>(0.00)</b>	(0.00)	<b>(0.00)</b>	<b>(0.00)</b>

*The accompanying notes are integral to these condensed interim financial statements.*

**MIDASCO CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
Expressed in Canadian Dollars - Unaudited

	For the nine months ended	
	September 30	
	2022	2021
	\$	\$
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
<b>Loss for the period</b>	<b>(32,937)</b>	(62,540)
Changes in non-cash working capital items:		
Other receivables	<b>173</b>	(1,339)
Prepaid expense	<b>(442)</b>	-
Due to related parties	<b>(345)</b>	17,000
Accounts payable and accrued liabilities	<b>(5,013)</b>	(31,781)
	<u><b>(38,564)</b></u>	<u>(78,660)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Private placement		250,000
<b>Change in cash</b>	<b>(38,564)</b>	171,340
<b>Cash, beginning of the period</b>	<b>182,677</b>	21,063
<b>Cash, end of the period</b>	<b>144,113</b>	192,403

*The accompanying notes are integral to these condensed interim financial statements.*

**MIDASCO CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS SEPTEMBER 30, 2022**  
Expressed in Canadian Dollars - Unaudited

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## **1. NATURE OF OPERATIONS**

Midasco Capital Corp. ("Midasco" or the "Company") 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 228 - 1122 Mainland Street, Vancouver, British Columbia, 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. Such adjustments could be material.

The Company will seek additional financing through related party loans and equity raises. As at September 30, 2022, the Company had a working capital of \$146,513 and accumulated losses of \$16,059,510.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic's impact on its business, results of operations, financial position and cash flows in the future.

## **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 8, 2022, 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, 2021, 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, 2022 could result in restatement of these unaudited condensed consolidated interim financial statements.

## **2. BASIS OF PRESENTATION (continued)**

### **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.

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

#### *Significant estimates and assumptions*

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is risk of material adjustments to assets and liabilities in future accounting periods include estimates of the recoverability and measurement of deferred tax assets, and contingent liabilities.

#### *Significant judgments*

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the classification of financial instruments and the going concern basis of accounting.

## **3. FINANCIAL RISK AND CAPITAL MANAGEMENT**

### **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 sales tax 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. Sales tax 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.

### **3. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)**

#### ***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 nine months ended September 30, 2022***

No share issuance activity

#### ***For the year ended December 31, 2021***

On May 11, 2021, the Company completed private placement of 2,500,000 Units at a price of \$0.10 per Unit for gross proceeds of \$250,000. Each Unit consisted of one common share of the Company and one share purchase warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.15 until May 11, 2022, subject to an acceleration right that allows the Company to give notice of an earlier expiry date if the Company's share price on the TSX Venture Exchange is equal to or greater than \$0.40 for a period of 10 consecutive trading days.

On May 20, 2021, the Company completed debt settlements with various directors, officers and creditors of the Company totaling \$169,500 in exchange for 1,695,000 common shares of the Company. The shares issued has an aggregate fair value of \$186,450, resulting in a loss on settlement of \$16,950. Among the shares issued, 1,645,000 were issued to officers and a company controlled by the officers to settle related party payables of \$164,500.

The Company incurred share issuance costs of \$18,299 related to the private placement and debt settlements.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS SEPTEMBER 30, 2022**  
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**4. SHARE CAPITAL AND RESERVES (continued)**

**Stock Options**

Under TSX Venture Exchange NEX policies the Company has reserved for issuance 1,227,336 common shares as incentive stock options available for issuance to directors and employees of the Company. The exercise price, term and vesting provisions are authorized by the Board of Directors at the time of the grant. There were no stock options outstanding at September 30, 2022 and December 31, 2021.

**Warrants**

There were 2,500,000 share purchase warrants exercisable at \$0.15 until May 11, 2022 which expired unexercised.

**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**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel and these related parties have incurred the following expenses:

	<b>Nine months ended September 30, 2022</b>	Nine months ended September 30, 2021
	\$	\$
Office and general	<b>6,750</b>	7,500
Professional	<b>9,000</b>	9,500
Consulting	-	7,250

As at September 30, 2022, \$Nil was owing to related parties of the Company (December 31, 2021 - \$345). Balances owing to related parties are unsecured, did not bear interest, and had no fixed terms of payments.

**MIDASCO CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS SEPTEMBER 30, 2022**  
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**6. TAX LOSSES**

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
	\$	\$
Non-capital loss carry-forwards	1,618,475	884,763
Exploration and evaluation assets	434,097	434,097
Share issuance costs	3,953	-
Tax basis of investments in excess of book value	197,122	197,122
Equipment	836	1,194
Capital losses	366,070	365,976
	<b>2,620,553</b>	<b>1,883,152</b>

The tax pools relating to these deductible temporary differences expire as follows: non-capital losses – \$5,994,352 expiring between 2026 through 2041; net capital losses of \$2,711,632 and resource pools of \$1,607,768 – no expiry.