

## **NOTE TO READER**

This document is being re-filed to insert the date on which Financial Statements for the year ended September 30, 2019 were approved by the Board of Directors. There have been no other changes to this document.

Unaudited Condensed Interim Financial Statements of

**MITHRANDIR CAPITAL CORP.**

**A Capital Pool Corporation**

For the three and nine months ended September 30, 2019

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**NOTICE OF NO AUDIT OR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed 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 condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

## Condensed Interim Statement of Financial Position

(In Canadian dollars)

Unaudited

As at

|                                                | September 30,<br>2019 | December 31,<br>2018 |
|------------------------------------------------|-----------------------|----------------------|
| <b>Assets</b>                                  |                       |                      |
| Current assets                                 |                       |                      |
| Cash                                           | \$ 398,220            | \$ 469,606           |
| Prepaid expenses and deposits (notes 5 and 10) | 21,300                | -                    |
| Amounts receivable                             | -                     | 30,000               |
| Deferred financing costs (note 6)              | 48,921                | -                    |
| <b>Total assets</b>                            | <b>\$ 468,441</b>     | <b>\$ 499,606</b>    |

## Liabilities and Shareholders' Equity

|                                                           |                   |                   |
|-----------------------------------------------------------|-------------------|-------------------|
| Current liabilities                                       |                   |                   |
| Accounts payable and accrued liabilities (notes 7 and 10) | \$ 53,376         | \$ 163,588        |
| <b>Total current liabilities</b>                          | <b>53,376</b>     | <b>163,588</b>    |
| Shareholders' equity                                      |                   |                   |
| Share capital (note 3)                                    | 497,274           | 347,387           |
| Deficit                                                   | (82,209)          | (11,369)          |
| <b>Total shareholders' equity</b>                         | <b>415,065</b>    | <b>336,018</b>    |
| <b>Total liabilities and shareholders' equity</b>         | <b>\$ 468,441</b> | <b>\$ 499,606</b> |

Nature of operations and going concern (Note 1)

Subsequent events (Note 13)

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

Approved by the Board of Directors:

(Signed) "Chris Schnarr"

Director, Chief Executive Officer and Chief Financial Officer

(Signed) "Josh Arbuckle"

Director and Secretary

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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

## Condensed Interim Statement of Loss and Comprehensive Loss

(In Canadian dollars)

Unaudited

For the

|                                                              | Three months ended<br>September 30, |      | Nine months ended<br>September 30, |      |
|--------------------------------------------------------------|-------------------------------------|------|------------------------------------|------|
|                                                              | 2019                                | 2018 | 2019                               | 2018 |
| Expenses                                                     |                                     |      |                                    |      |
| Professional fees (note 10)                                  | \$ 20,515                           | \$ - | \$ 31,391                          | \$ - |
| Filing fees                                                  | 11,927                              | -    | 38,762                             | -    |
| Office and general                                           | 258                                 | -    | 687                                | -    |
| Net loss and comprehensive loss for the period               | \$ (32,700)                         | \$ - | \$ (70,840)                        | \$ - |
| Loss per share <sup>(i)</sup>                                |                                     |      |                                    |      |
| Basic and diluted                                            | n/a                                 | n/a  | n/a                                | n/a  |
| Weighted average number of shares outstanding <sup>(i)</sup> |                                     |      |                                    |      |
| Basic and diluted                                            | Nil                                 | Nil  | Nil                                | Nil  |

<sup>(i)</sup> Loss per share and weighted average number of shares outstanding excludes seed shares as they are escrowed and considered contingently issuable and therefore are not considered to be outstanding shares for purposes of loss per share calculations (note 3). No other shares were issued as at September 30, 2019.

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

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## MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

Condensed Interim Statements of Changes in Shareholders' Equity

(In Canadian dollars)

Unaudited

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|                                                         | Number of<br>Shares<br># | Share Capital<br>Amount<br>\$ | Deficit<br>\$   | Total<br>Shareholders'<br>Equity<br>\$ |
|---------------------------------------------------------|--------------------------|-------------------------------|-----------------|----------------------------------------|
| Balance as at September 25, 2018 and September 30, 2018 | -                        | -                             | -               | -                                      |
| Seed Common Shares issued for cash                      | 7,000,000                | 350,000                       | -               | 350,000                                |
| Share issuance costs                                    | -                        | (2,613)                       | -               | (2,613)                                |
| Net loss for the period                                 | -                        | -                             | (11,369)        | (11,369)                               |
| <b>Balance as at December 31, 2018</b>                  | <b>7,000,000</b>         | <b>347,387</b>                | <b>(11,369)</b> | <b>336,018</b>                         |
| Seed Common Shares issued for cash                      | 3,000,000                | 150,000                       | -               | 150,000                                |
| Share issuance costs                                    | -                        | (113)                         | -               | (113)                                  |
| Net loss for the period                                 | -                        | -                             | (70,840)        | (70,840)                               |
| <b>Balance as at September 30, 2019</b>                 | <b>10,000,000</b>        | <b>497,274</b>                | <b>(82,209)</b> | <b>415,065</b>                         |

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

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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

## Condensed Interim Statements of Cash Flows

(In Canadian dollars)

Unaudited

For the

|                                                     | Nine months ended<br>September 30, |      |
|-----------------------------------------------------|------------------------------------|------|
|                                                     | 2019                               | 2018 |
| Cash flows from operating activities                |                                    |      |
| Net loss for the period                             | \$ (70,840)                        | \$ - |
| Change in non-cash operating assets and liabilities |                                    |      |
| Prepaid expenses and deposits                       | (21,300)                           | -    |
| Accounts payable and accrued liabilities            | 39,788                             | -    |
| Cash used in operating activities                   | (52,352)                           | -    |
| Financing activities                                |                                    |      |
| Share capital                                       | 180,000                            | -    |
| Share subscriptions received                        | (150,000)                          | -    |
| Share issuance costs                                | (113)                              | -    |
| Deferred financing costs                            | (48,921)                           | -    |
| Cash used in financing activities                   | (19,034)                           | -    |
| Decrease in cash                                    | (71,386)                           | -    |
| Cash, beginning of period                           | 469,606                            | -    |
| Cash, end of period                                 | \$ 398,220                         | \$ - |

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

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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

Notes to the Condensed Interim Financial Statements

(In Canadian dollars)

Unaudited

For the three and nine months ended September 30, 2019

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## 1. Nature of operations and going concern

Mithrandir Capital Corp. (the “Company” or “Mithrandir”) was incorporated September 25, 2018 pursuant to the provisions of the Business Corporations Act (Ontario).

The Company is carrying on business as a Capital Pool Corporation (“CPC”), as such term is defined in TSX Venture Exchange Inc. (the “Exchange”) Policy 2.4 – Capital Pool Companies (“CPC Policy 2.4”). As at September 30, 2019, the Company had no business operations and did not enter into any agreements to acquire an interest in businesses or assets. The Company’s principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company’s registered head office is located at 10 Kingsbridge Garden Circle, Suite 700, Mississauga, Ontario, Canada L5R 3K6.

The Company completed its initial public offering (the “Offering”) subsequent to September 30, 2019 (note 13). The gross proceeds raised from the Offering may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a proposed “Qualifying Transaction” as such term is defined in Exchange CPC Policy 2.4 (“Transaction Expenses”) with the exception that the lesser of 30% of the gross proceeds and \$210,000 may be used for purposes other than those included in the Transaction Expenses.

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under Exchange Policy 2.4, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company’s shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or delist the Company’s shares from trading should it not meet these requirements.

### Going concern

These condensed interim financial statements were prepared on a going-concern basis of accounting, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. The Company does not generate revenue from operations and incurred a net loss of \$70,840 for the nine months ended September 30, 2019. However, the Company believes that its working capital balance as at September 30, 2019 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Company has no revenues, its ability to continue as a going concern is dependent on its ability to obtain additional financing and complete a Qualifying Transaction. These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.



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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

## Notes to the Condensed Interim Financial Statements

(In Canadian dollars)

Unaudited

For the three and nine months ended September 30, 2019

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### 2. Basis of presentation

#### Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS").

Accounting policies and methods of their application followed in the preparation of these unaudited condensed interim financial statements are consistent with those used in the audited financial statements for the period from incorporation (September 25, 2018) to June 30, 2019, which are available on [www.SEDAR.com](http://www.SEDAR.com), included in the filing of September 27, 2019 entitled "Final prospectus – English".

#### **Basis of measurement**

These condensed interim financial statements have been prepared on a historical cost basis and on an accrual basis except for cash flow information. The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

These condensed interim financial statements were authorized for issue by the Board of Directors on November 27, 2019.

### 3. Share capital

#### **Authorized**

Unlimited common shares with no par value

#### **Issued**

|                                                         | Number of<br>Common Shares | Amount            |
|---------------------------------------------------------|----------------------------|-------------------|
| Balance as at September 25, 2018 and September 30, 2018 | -                          | \$ -              |
| Seed share issuance <sup>(i), (iii)</sup>               | 7,000,000                  | 350,000           |
| Share issuance costs                                    | -                          | (2,613)           |
| <b>Balance as at December 31, 2018</b>                  | <b>7,000,000</b>           | <b>\$ 347,387</b> |
| Seed share issuance <sup>(i), (iii)</sup>               | 3,000,000                  | 150,000           |
| Share issuance costs                                    | -                          | (113)             |
| <b>Balance as at September 30, 2019</b>                 | <b>10,000,000</b>          | <b>\$ 497,274</b> |

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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

Notes to the Condensed Interim Financial Statements

(In Canadian dollars)

Unaudited

For the three and nine months ended September 30, 2019

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## 3. Share capital (continued)

### (i) Seed share issuance

As at December 31, 2018, the Company had issued an aggregate of 7,000,000 seed common shares to the directors and officers of the Company at a price of \$0.05 per share for gross cash proceeds of \$350,000. On January 31, 2019, a further 3,000,000 seed common shares were issued to additional seed investors at a price of \$0.05 per share for gross proceeds of \$150,000.

### (ii) Shares subject to escrow

The issued and outstanding seed share issuance of common shares will be held in escrow pursuant to the requirements of the Exchange to be released as to 10% thereof on completion of the Company's Qualifying Transaction, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6<sup>th</sup>, 12<sup>th</sup>, 18<sup>th</sup>, 24<sup>th</sup>, 30<sup>th</sup> and 36<sup>th</sup> months following the initial release, pursuant to the terms of an Escrow Agreement dated as of September 26, 2019 between the Company, TSX Trust Company, and the shareholders of the Company.

Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be escrowed.

All common shares acquired on exercise of stock options granted to directors and officers prior to completion of a Qualifying Transaction must also be deposited and held in escrow pursuant to the requirements of the Exchange.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited and held in escrow.

The seed common shares are considered contingently issuable until the Company completes a Qualifying Transaction and, accordingly, they are not considered to be outstanding shares for purposes of loss per share calculations.

## 4. Stock options

The Option Plan provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, consultants and employees of the Company, options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to ten years from the date of grant.

The Option Plan was approved by the Board of Directors and adopted by the Company on July 31, 2019.

Refer also to Note 13.

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# **MITHRANDIR CAPITAL CORP.**

**A Capital Pool Corporation**

**Notes to the Condensed Interim Financial Statements**

(In Canadian dollars)

*Unaudited*

For the three and nine months ended September 30, 2019

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## **5. Prepaid expenses and deposits**

The Company's prepaid expenses and deposits as at September 30, 2019 totaling \$21,300 (December 31, 2018 - \$Nil) included professional fee deposits and legal funds held in trust which were mainly required to fulfill the obligations of the Offering (note 13).

## **6. Deferred financing costs**

The deferred financing costs as at September 30, 2019 totaling \$48,921 (December 31, 2018 - \$Nil) related mainly to expenses associated with the Offering (note 13).

## **7. Accounts payable and accrued liabilities**

The Company's accounts payable and accrued liabilities as at September 30, 2019 totaling \$53,376 (December 31, 2018 - \$13,588) consisted mainly of professional expenses and accruals associated with the Offering.

## **8. Net loss per share**

The calculation of basic and diluted loss per share was not presented because seed shares are excluded as they are escrowed, and no other shares were issued as at September 30, 2019 (note 13).

## **9. Income taxes**

The Company recorded approximately \$11,000 of non-capital losses in Canada for the tax year ended December 31, 2018 which, under certain circumstances, can be used to reduce the taxable income of future years. These losses expire in 2038.

## **10. Related party transactions**

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

For the nine months ended September 30, 2019, Chitiz Pathak LLP, a law firm of which a director of the Company is a Partner, provided legal services totaling \$57,496 (December 31, 2018 - \$5,396). Of this total, \$28,323 was recorded as a prepaid expense (December 31, 2018 - \$Nil), \$113 was recorded as share issuance costs (December 31, 2018 - \$2,613) and \$29,060 was included in professional fee expenses (December 31, 2018 - \$2,783). As at September 30, 2019, \$30,708 remained payable (December 31, 2018 - \$5,396) and was included in accounts payable and accrued liabilities on the statements of financial position. The balance payable is unsecured, non-interest bearing and due on demand.

See also note 3.

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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

Notes to the Condensed Interim Financial Statements

(In Canadian dollars)

Unaudited

For the three and nine months ended September 30, 2019

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## 11. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to remain a CPC until it completes a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as total shareholders' equity. The Company is not subject to any externally imposed capital requirements other than the cash restriction disclosed in Note 1. There were no significant changes in the Company's approach to capital management during the period ended September 30, 2019.

## 12. Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: fair values, credit risk, liquidity risk and market risk (including interest rate risk). The Board of Directors provides regular guidance for overall risk management.

### Fair values

As at September 30, 2019, the Company's financial instruments consist of cash, amounts receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limit exposure to credit and market risks.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company believes its exposure to credit risk is not significant.

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management believes the Company had no significant exposure to interest rate risk through its financial instruments as at September 30, 2019.

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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

Notes to the Condensed Interim Financial Statements

(In Canadian dollars)

Unaudited

For the three and nine months ended September 30, 2019

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## 12. Financial instruments and risk management (continued)

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in note 11, in normal circumstances.

## 13. Subsequent events

On October 11, 2019, the Company completed its initial public offering (the "Offering"), pursuant to which it issued 20,000,000 common shares at \$0.10 per share, for aggregate proceeds of \$2,000,000.

Deductible costs of this issue included listing and filing fees, the Agent's expenses and legal fees, the Agent's corporate work fee and the Company's legal fees, audit fees and expenses, which were estimated at \$90,000 exclusive of the Agent's commission.

### Agent's fees

Industrial Alliance Securities Inc. (the "Agent") acted as Agent of the Offering, in connection with which it received a cash commission of \$200,000, corporate work fee of \$10,000 plus HST, and options to purchase up to 2,000,000 common shares of the Company at an exercise price of \$0.10 per common share, exercisable within twenty-four months from the listing of the common shares on the Exchange.

Pursuant to CPC Policy 2.4, where the Agent receives an option or the right to subscribe for a certain number of shares as consideration for acting as Agent, 50% of the options exercised or 50% of the shares held pursuant to that right may be sold prior to completion of the Qualifying Transaction. The remaining 50% may only be sold after completion of the Qualifying Transaction.

### Directors' and officers' options

On October 11, 2019, the Company granted 3,000,000 stock options to officers and directors exercisable at \$0.10 per share for a period of five years. These options vested immediately upon grant.

### TSX Venture Exchange listing

On October 11, 2019, upon completion of the Offering, the Company's shares were listed for trading on the TSX Venture Exchange under the symbol "GMER.P".

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# MITHRANDIR CAPITAL CORP.

A Capital Pool Corporation

Notes to the Condensed Interim Financial Statements

(In Canadian dollars)

*Unaudited*

For the three and nine months ended September 30, 2019

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## Announcement of Qualifying Transaction and share trading halt

As previously reported, on November 11, 2019, the Company entered into a letter of intent (the "LOI") with PopReach Incorporation ("PopReach"), a mobile focused free-to-play game publisher (the "Transaction"). The LOI outlines the principal terms and conditions for the Transaction, which will result in a reverse takeover of Mithrandir by PopReach and its shareholders.

In connection with the announcement of the LOI, which is deemed an Agreement in Principle for the Qualifying Transaction, trading in the common shares of the Company has been halted pursuant to the policies of the Exchange. Trading will remain halted until, among other things, the Company completes certain regulatory filings in connection with the Qualifying Transaction with the Exchange and the Exchange has completed certain matters it considers necessary or advisable.

The Transaction is subject to satisfactory due diligence and the completion of a formal agreement which will be subject to a number of conditions precedent.

Further details of the LOI are available in the news release dated November 12, 2019 which is available on [www.sedar.com](http://www.sedar.com) under the Company's profile.