

**COLUMN CAPITAL CORP.**

**FINANCIAL STATEMENTS**

**For the period from incorporation on November 26, 2020 to July 31, 2021**

**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Column Capital Corp.

### *Opinion*

We have audited the accompanying financial statements of Column Capital Corp. (the "Company"), which comprise the statement of financial position as at July 31, 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period from incorporation on November 26, 2020 to July 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2021, and its financial performance and its cash flows for the period from incorporation on November 26, 2020 to July 31, 2021 in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

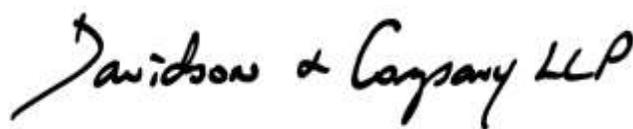
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

November 24, 2021

**COLUMN CAPITAL CORP.**  
**STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

	<b>July 31, 2021</b>
	<b>\$</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash	<b>267,897</b>
<b>Total assets</b>	<b>267,897</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	
<b>Current liabilities</b>	
Accounts payable and accrued liabilities (Notes 4 and 6)	<b>42,811</b>
<b>Total liabilities</b>	<b>42,811</b>
<b>Shareholders' equity</b>	
Share capital (Note 5)	<b>245,522</b>
Equity reserves (Note 5)	<b>37,755</b>
Deficit	<b>(58,191)</b>
<b>Total shareholders' equity</b>	<b>225,086</b>
<b>Total liabilities and shareholders' equity</b>	<b>267,897</b>

**Basis of presentation** (Note 2)

**On behalf of the Board:**

\_\_\_\_\_  
*Signed: "Michael Atkinson"* Director      \_\_\_\_\_  
*Signed: "Brian Bayley"* Director

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

**COLUMN CAPITAL CORP.**  
**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)

	<b>From Incorporation on November 26, 2020 to July 31, 2021</b>
	<b>\$</b>
<b>EXPENSES</b>	
Share-based compensation (Notes 5 and 6)	28,388
Professional fees	14,883
Administrative and corporate services (Note 6)	9,450
Transfer agent, shareholder communications, listing and filing fees	5,271
Office and sundry	199
<b>Loss and comprehensive loss for the period</b>	<b>(58,191)</b>
<b>Basic and diluted loss per common share (Note 5)</b>	<b>(0.02)</b>

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

**COLUMN CAPITAL CORP.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian dollars)

	<b>Share Capital</b>		<b>Equity Reserves</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number of Shares</b>	<b>Amount</b>			
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, November 26, 2020	-	-	-	-	-
Shares issued	3,450,000	360,000	-	-	360,000
Share issuance costs	-	(114,478)	9,367	-	(105,111)
Share-based compensation	-	-	28,388	-	28,388
Net loss for the period	-	-	-	(58,191)	(58,191)
<b>Balance, July 31, 2021</b>	<b>3,450,000</b>	<b>245,522</b>	<b>37,755</b>	<b>(58,191)</b>	<b>225,086</b>

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

**COLUMN CAPITAL CORP.**  
**STATEMENT OF CASH FLOWS**  
(Expressed in Canadian dollars)

	<b>From Incorporation on November 26, 2020 to July 31, 2021</b>
	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the period	(58,191)
Non-cash expenses:	
Share-based compensation	28,388
Changes in non-cash working capital items:	
Accounts payable and accrued liabilities	9,921
<b>Net cash used in operating activities</b>	<b>(19,882)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from sale of shares	360,000
Payments for share issuance costs	(72,221)
<b>Net cash provided by financing activities</b>	<b>287,779</b>
<b>Change in cash during the period</b>	<b>267,897</b>
<b>Cash, beginning of period</b>	<b>-</b>
<b>Cash, end of period</b>	<b>267,897</b>

**Non-cash investing and financing activities:**

A total of \$114,478 was recognized for share issuance costs in the period from incorporation on November 26, 2020 to July 31, 2021. This amount includes \$9,367 for warrants issued in connection with the Company's initial public offering and \$32,890 in amounts included in accounts payable and accrued liabilities as at July 31, 2021, both of which are excluded from the statement of cash flows. There were no other non-cash investing or financing activities in the period from incorporation on November 26, 2020 to July 31, 2021.

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

## **COLUMN CAPITAL CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021**

(Expressed in Canadian dollars)

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#### **1. NATURE OF OPERATIONS**

Column Capital Corp. (the “Company”) was incorporated on November 26, 2020 under the Business Corporations Act (British Columbia) and is a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 (“Policy 2.4”). As a CPC, the Company’s objective is to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V (“Qualifying Transaction”). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. Additional discussion on these restrictions is included in Note 8.

On June 15, 2021 the Company completed an initial public offering of common shares (the “IPO”) and is listed on the TSX-V under the symbol “FFC.P”.

The Company’s registered office address is Suite 704, 595 Howe Street, Vancouver, BC, and its principal place of business is Suite 1703, 595 Burrard Street, Vancouver, BC.

These financial statements were authorized for issue by the Audit Committee and Board of Directors on November 24, 2021.

#### **COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the COVID-19 coronavirus outbreak a pandemic, which continues to spread globally. As a CPC with no commercial operations, the COVID-19 pandemic has not had a significant impact on the Company’s routine operations or on the carrying value of its assets. However, the pandemic’s effect on broader capital markets may hinder the Company’s ability to identify and complete a Qualifying Transaction.

#### **2. BASIS OF PRESENTATION**

##### **a) Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

##### **b) Basis of Measurement**

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

##### **c) Continuance of Operations**

As at July 31, 2021, the Company had cash of \$267,897 which is sufficient to pay \$42,811 in accounts payable and accrued liabilities then outstanding and for its projected operating costs for the next 12 months and to pursue a limited number of potential Qualifying Transactions.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

**COLUMN CAPITAL CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021**

(Expressed in Canadian dollars)

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**2. BASIS OF PRESENTATION (cont'd...)**

d) Comparative Period Information

The Company was incorporated on November 26, 2020 and these are the first financial statements to be prepared for the Company. As a result, no comparative period information is provided.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Financial instruments**

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

The Company classifies its financial assets and financial liabilities in the following measurement categories:

- i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- The Company's sole financial asset is cash. Cash is classified as an asset at fair value and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur.
- Financial liabilities comprise of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are classified as amortized cost and are measured using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

*Impairment of financial assets*

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The Company's sole financial asset is cash and, accordingly, does not hold any financial assets measured at amortized cost.

**COLUMN CAPITAL CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021**(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****Financing costs**

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

**Share-based compensation**

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

**Income taxes**

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

**COLUMN CAPITAL CORP.**

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021

(Expressed in Canadian dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****(Loss) earnings per share**

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which includes shares held in escrow. Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

**Use of estimates and measurement uncertainties**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

i. Valuation of share-based compensation and warrants

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options and compensatory warrants. This model requires assumptions of the expected future price volatility of the Company’s common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company’s common shares.

ii. Income taxes

Provisions for income and other taxes are based on management’s interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management’s expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities of the Company are payable within the next 12 months. As at July 31, 2021, accounts payable and accrued liabilities included \$32,890 in share issuance costs related to the IPO.

**5. SHAREHOLDERS’ EQUITY****Authorized share capital**

The Company is authorized to issue unlimited numbers of common shares and preferred shares without par value. No preferred shares have been issued and changes to the number of common shares outstanding are as follows:

	Number of Shares	Assigned Value
Outstanding, November 26, 2020	-	\$ -
Shares issued	3,450,000	360,000
<b>Outstanding, July 31, 2021</b>	<b>3,450,000</b>	<b>\$ 360,000</b>

**COLUMN CAPITAL CORP.**

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021

(Expressed in Canadian dollars)

**5. SHAREHOLDERS' EQUITY (cont'd...)****Authorized share capital (cont'd...)**

On November 26, 2020, the Company issued 2,100,000 common shares at a price of \$0.075 per share for total proceeds of \$157,500 (the "Seed Shares"). As a CPC, the Seed Shares are held in escrow and will be released ratably over a period up to 18 months following the completion of a Qualifying Transaction.

On June 15, 2021, the Company completed the IPO issuing 1,350,000 of its common shares at a price of \$0.15 per share for gross proceeds of \$202,500. Share issuance costs for the IPO totaled \$114,478 that included \$105,111 in cash costs for TSX-V fees, legal and accounting fees, and agent's fees of which \$32,890 is included in accounts payable and accrued liabilities as at July 31, 2021. Additionally, the Company issued compensatory warrants with a \$9,367 fair value to the IPO agent.

**Equity reserves***Stock options*

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase its common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to ten years from the date of grant. The vesting conditions, if any, for stock options granted are determined at the discretion of the Company's Board of Directors.

Changes to the Company's stock options outstanding are as follows:

	<b>Number of Stock Options</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
			<b>\$</b>
Outstanding and exercisable, November 26, 2020	-	-	-
Options granted	225,000	June 15, 2026	0.15
<b>Outstanding and exercisable, July 31, 2021</b>	<b>225,000</b>	<b>June 15, 2026</b>	<b>0.15</b>

On June 15, 2021, the Company granted 225,000 stock options to directors of the Company. These options have an exercise price of \$0.15 per common share and are exercisable until June 15, 2026 without further vesting conditions. The \$28,388 fair value of these stock options was recorded as a share-based compensation expense and was determined using the Black-Scholes option-pricing model using the following assumptions:

Risk-free interest rate	0.84%
Dividend yield	-
Expected stock price volatility	125%
Expected forfeiture rate	-
Expected life	5.0 years

**COLUMN CAPITAL CORP.**

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021

(Expressed in Canadian dollars)

**5. SHAREHOLDERS' EQUITY (cont'd...)****Equity reserves (cont'd...)***Warrants*

The Company may grant warrants that can be exercised to purchase its common shares at terms determined at the discretion of the Company's Board of Directors. These warrants may be included with common shares in future financings or granted as compensation for services provided to the Company.

Changes to the Company's warrants outstanding are as follows:

	Number of Warrants	Expiry Date	Exercise Price \$
Outstanding, November 26, 2020	-	-	-
Warrants issued	100,000	June 15, 2023	0.15
<b>Outstanding, July 31, 2021</b>	<b>100,000</b>	<b>June 15, 2023</b>	<b>0.15</b>

On June 15, 2021, the Company issued 100,000 warrants for finder's services in connection with the Company's IPO. These warrants have an exercise price of \$0.15 per common share and are exercisable until June 15, 2023 without further vesting conditions. The \$9,367 fair value of these warrants was recorded as a share issuance cost and was determined using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.32%
Dividend yield	-
Expected stock price volatility	125%
Expected forfeiture rate	-
Expected life	2.0 years

**Per share amounts**

Weighted average loss per share for the period from incorporation on November 26, 2020 to July 31, 2021 is calculated as follows:

	November 26, 2020 to July 31, 2021
Numerator	
Net loss for the period	\$ (58,191)
Denominator	
Weighted average number of common shares outstanding, basic and diluted	2,355,847
<b>Loss per common share, basic and diluted</b>	<b>\$ (0.02)</b>

In accordance with the Company's accounting policy, weighted average number of common shares outstanding includes 2,100,000 shares held in escrow.

## **COLUMN CAPITAL CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021**

(Expressed in Canadian dollars)

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#### **6. RELATED PARTY TRANSACTIONS**

On February 1, 2021, the Company entered into a corporate services agreement with Earlston Management Corp. ("Earlston") whereby Earlston will provide various administrative, management and corporate services to the Company for a fee of \$1,500 per month plus out-of-pocket costs. Additional fees may be paid to Earlston for non-standard services provided in connection with a Qualifying Transaction. The Company recognized a \$9,450 expense for corporate and administrative services provided by Earlston for the period from incorporation on November 26, 2020 to July 31, 2021, of which \$1,575 is included in accounts payable and accrued liabilities as at July 31, 2021.

During the period from incorporation on November 26, 2020 to July 31, 2021, the Company granted a total of 225,000 stock options to its directors. The stock options were fully-vested on their grant date and a related share-based compensation expense of \$28,388 was recognized in the period. The terms of the options are further discussed in Note 5.

#### **7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at July 31, 2021, the Company's financial instruments comprise cash and accounts payable and accrued liabilities. The fair values of accounts payable and accrued liabilities approximate their carrying values due to their short term to maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at July 31, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

##### *Credit risk*

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with a large Canadian financial institution.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at July 31, 2021, the Company had a cash balance of \$267,897 which is sufficient to settle current liabilities of \$42,811 and anticipated short-term cash requirements, but that additional funding may be required to meet long-term requirements should a Qualifying Transaction not be completed on a timely basis. The Company's financial liabilities include trade payables that have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

##### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. As the Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash, assets or liabilities denominated in a foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices, it currently does not have and is not expected to have exposure to these market risks.

**COLUMN CAPITAL CORP.**

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021

(Expressed in Canadian dollars)

**8. CAPITAL MANAGEMENT**

In the management of capital, the Company defines capital as its shareholders' equity. As at July 31, 2021, the Company's shareholders' equity was \$225,086. The Company's objectives when managing capital are to maintain a low level of on-going operating costs and to continue as a going concern until a Qualifying Transaction can be completed. The Company's current capital was received from the issuance of common shares (Note 5) and will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction.

The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs.

**9. INCOME TAXES**

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	<b>From Incorporation on November 26, 2020 to July 31, 2021</b>
	\$
Loss and comprehensive loss for the period	(58,191)
Expected income tax recovery	(16,000)
Permanent differences	(20,000)
Change in unrecognized deductible temporary differences	36,000
<b>Total income tax recovery</b>	<b>-</b>

The Company's combined federal and provincial tax rate applicable for the period from incorporation on November 26, 2020 to July 31, 2021 was 27%.

The significant components of the Company's unrecorded deferred tax assets as at July 31, 2021 are as follows:

	<b>July 31, 2021</b>
	\$
Non-capital losses available for future periods	9,000
Share issuance costs	27,000
Unrecognized deferred tax assets	(36,000)
Net deferred tax assets	-

**COLUMN CAPITAL CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 26, 2020 TO JULY 31, 2021**

(Expressed in Canadian dollars)

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**9. INCOME TAXES (cont'd...)**

The significant components of the Company's temporary differences and unused tax losses that have not been included on the statement of financial position are as follows:

	<b>July 31, 2021</b>	
	<b>\$</b>	<b>Expiry date range</b>
Non-capital losses available for future periods	<b>34,000</b>	<b>2041</b>
Share issuance costs	<b>101,000</b>	<b>2042-2046</b>

Tax attributes are subject to review, and potential adjustment, by tax authorities.