

**AUKA CAPITAL CORP.**  
**INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**September 30, 2022**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED 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 consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim consolidated financial statements of Auka Capital Corp. (the "Corporation") have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# AUKA CAPITAL CORP.

## INTERIM STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

September 30, 2022

ASSET	September 31, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>CURRENT ASSET</b>		
Cash	\$ 187,202	\$ 124,265
<b>LIABILITY</b>		
<b>CURRENT LIABILITY</b>		
Accounts payable and accrued liabilities	\$ 6,799	\$ 8,924
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 4)	250,000	125,000
DEFICIT	(69,596)	(9,659)
	180,404	115,341
	\$ 187,202	\$ 124,265

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 5)

# AUKA CAPITAL CORP.

## INTERIM STATEMENT OF LOSS

(UNAUDITED)

FOR THE THREE AND NINE MONTH PERIODS ENDED  
SEPTEMBER 30, 2022

	For the three month period ended September 30, 2022	For the nine month period ended September 30, 2022
<b>REVENUE</b>	\$ -	\$ -
<b>EXPENSES</b>		
Accounting and legal	8,232	47,187
Consulting fees	-	7,500
Memberships, dues and licenses		5,250
	8,232	59,937
<b>NET LOSS</b>	\$ (8,232)	\$ (59,937)
<b>BASIC AND DILUTED LOSS PER SHARE</b>	(0.0016)	(0.0120)
<b>AVERAGE WEIGHTED NUMBER OF COMMON SHARES</b>	5,000,000	5,000,000
<b>AVERAGE WEIGHTED NUMBER OF DILUTED SHARES</b>	5,000,000	5,000,000

No comparative information has been provided as the Company was incorporated August 5, 2021.

**AUKA CAPITAL CORP.**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**(UNAUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED**  
**SEPTEMBER 30, 2022**

	Number of shares	Share capital	Deficit	Total equity
<b>Balance, August 5, 2021 (Date of incorporation)</b>	-	\$ -	\$ -	\$ -
Net loss	-	-	(9,659)	(9,659)
Issuance of share capital for cash	2,500,000	125,000	-	125,000
<b>Balance, December 31, 2021</b>	2,500,000	125,000	(9,659)	115,341
Net loss	-	-	(59,937)	(59,937)
Issuance of share capital for cash	2,500,000	125,000	-	125,000
<b>Balance, September 30, 2022</b>	5,000,000	250,000	\$ (69,596)	\$ 180,404

The accompanying notes are an integral part of the interim financial statements

# AUKA CAPITAL CORP.

## INTERIM STATEMENT OF CASH FLOWS

(UNAUDITED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

	For the three month period ended September 30,2022	For the nine month period ended September 30, 2022
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (8,232)	\$ (59,937)
Change in non-cash working capital		
Accounts payable and accrued liabilities	(20,079)	(2,125)
	(28,312)	(62,062)
<b>FINANCING ACTIVITY</b>		
Issuance of share capital	0	125,000
<b>INCREASE IN CASH</b>	(28,312)	62,937
<b>CASH, beginning of period</b>	215,514	124,265
<b>CASH, end of period</b>	\$ 187,202	\$ 187,202

The accompanying notes are an integral part of the interim financial statements

# **AUKA CAPITAL CORP.**

## **NOTES TO THE (UNAUDITED) INTERIM FINANCIAL STATEMENTS DATED SEPTEMBER 30, 2022**

### **NATURE OF BUSINESS**

Auka Capital Corp. (the 'Company') was incorporated on August 5, 2021 under the laws of the Province of Alberta, Canada as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

Head office is located at 1600, 421 7th Avenue SW, Calgary Alberta, T2P 4K9.

The principal business of the Company is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business (the "Qualifying Transaction"), subject to, if a non-arm's length Qualifying Transaction, receipt of majority approval of the minority shareholders and acceptance by regulatory authorities.

Until the completion of a Qualifying Transaction, the Company will not carry on any other business.

### **1. BASIS OF PRESENTATION**

These condensed interim 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 IFRS Interpretations Committee (IFRIC's). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These condensed interim financial statements have been prepared with the same accounting policies and methods of computation as the full annual financial report for the year ended December 31, 2021. The notes presented in these condensed interim financial statements include only significant events and transactions occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed by IFRS in the Company's annual financial statements. As a result, these condensed interim financial statements should be read in conjunction with the Annual Financial Statements.

The condensed interim financial statements were approved by the Board of Directors and authorized for issue on December 2, 2022.

The condensed interim financial statements have been prepared on a historical cost basis. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for the Statement of Cash Flows.

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

# **AUKA CAPITAL CORP.**

## **NOTES TO THE (UNAUDITED) INTERIM FINANCIAL**

### **STATEMENTS DATED SEPTEMBER 30, 2022**

#### **2. GOING CONCERN**

These condensed interim financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As at September 30, 2022 the Company's management believes it has sufficient cash to satisfy its financial obligations for the next 12 months. The continuation of the Company is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

#### **3. SIGNIFICANT ACCOUNTING POLICY**

##### **FINANCIAL INSTRUMENTS**

Financial instruments are measured at fair value on initial recognition, which is typically the transaction price unless a significant financing component is present. Subsequent measurement is dependent on whether the instrument is classified as "amortized cost", "fair value through profit or loss" or "fair value through other comprehensive income". The classification of financial assets is determined by their characteristics and their context in the Company's business model.

The Corporation classifies financial assets and liabilities as follows:

- Amortized cost: Cash and accounts payable and accrued liabilities are held by the Company to collect or pay contractual cash flows and are measured at amortized cost. Financial instruments measured at amortized cost are recognized initially at fair value, adjusted for any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.
  
- Fair value through profit or loss or fair value through other comprehensive income: The Company does not have financial instruments that meet the criteria to be measured at fair value and, accordingly, no financial instruments are measured at fair value through profit or loss or fair value through other comprehensive income.

# AUKA CAPITAL CORP.

## NOTES TO THE (UNAUDITED) INTERIM FINANCIAL STATEMENTS DATED SEPTEMBER 30, 2022

### 4. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value.

The Company has the following Common Shares issued and outstanding:

	2022	December 31, 2021 (Audited)
<b>Issued</b>		
5,000,000 Common Shares (2021 - 2,500,000 shares)	\$ 250,000	\$ 125,000

During the period ended September 30, 2022 (December 31, 2021), the Company issued 2,500,000 (2,500,000) common shares at \$0.05 per share (\$0.05 per share).

### 5. SUBSEQUENT EVENTS

During September 2022, the Company is in the process of completing its initial public offering (the "Offering"), raising gross proceeds of \$750,000 pursuant to a prospectus dated September 15, 2022. An aggregate 7,500,000 Common Shares are being issued to subscribers for a price of \$0.10 per share.

Canaccord Genuity Corp. (the Agent) is acting as the agent for the Offering. The Agent will receive a cash commission equal to 10% of the gross proceeds of the Offering, corporate finance fee of \$15,000 plus GST, and an option to purchase 750,000 Common Shares at a price of \$0.10 for a period of five years from the date of the listing of the Common Shares on the Exchange.

Upon closing of the Offering, the Company granted 1,250,000 incentive stock options to its directors and officers which are exercisable within ten years from the date of the grant at an exercise price of \$0.10 per Common Share.

### 6. RELATED PARTY TRANSACTIONS

The Company is related to Gowling WLG (Canada) LLP by virtue of a partner in Gowling WLG (Canada) LLP is a director and corporate secretary of the Company. Transactions and balances with these related parties are as follows:

During the three month period ending September 30, 2022, professional fees in the amount of \$7,880 (nine month period ending September 30, 2022 - \$33,660) was paid to the related party for general corporate matters performed.

The transaction is in the normal course of operations and is measured at its exchange amount, which is the amount of consideration established and agreed to by the related parties.

# **AUKA CAPITAL CORP.**

## **NOTES TO THE (UNAUDITED) INTERIM FINANCIAL**

### **STATEMENTS DATED SEPTEMBER 30, 2022**

#### **7. CAPITAL MANAGEMENT**

The Company is a Capital Pool Company and considers items included in shareholders' equity as capital. The Company has no debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets.

In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company had shareholders' equity of \$250,000 as of September 30, 2022 (\$125,000 as of December 31, 2021).

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets of businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a qualifying transaction by the Company as defined under the policies of the Exchange Policy 2.4.