

Interim Condensed Financial Statements
(Expressed in Canadian dollars)

BASTION SQUARE PARTNERS INC.
(A Capital Pool Corporation)

For the three and six-month periods ended October 31, 2022 and October 31, 2021

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of 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 CPA Canada for a review of interim financial statements by an entity's auditor.

December 8, 2022

BASTION SQUARE PARTNERS INC.

(A Capital Pool Corporation)

Unaudited Interim Condensed Statement of Financial Position

	October 31, 2022	April 30, 2022
Assets		
Cash	\$1,694,972	\$1,764,590
Prepaid expenses	11,451	7,807
	<u>\$1,706,423</u>	<u>\$1,772,397</u>
Liabilities and Shareholders' Equity		
Accounts payable and accrued liabilities	\$ 67,717	\$ 35,350
Shareholders' equity:		
Share capital (note 4)	1,845,219	1,845,219
Contributed surplus	174,393	174,393
Deficit	(380,906)	(282,565)
	<u>1,638,706</u>	<u>1,737,047</u>
	<u>\$1,706,423</u>	<u>\$1,772,397</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

"Peter Gustavson" Director

"Briony Bayer" Director

BASTION SQUARE PARTNERS INC.

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Unaudited Interim Condensed Statement of Loss and Comprehensive Loss

	Three months ended Oct 31, 2022	Three months ended Oct 31, 2021	Six months ended Oct 31, 2022	Six months ended Oct 31, 2021
Expenses:				
Professional fees	\$ 81,120	\$ 6,112	\$ 86,453	\$ 19,529
General and administrative	4,525	2,795	9,158	3,709
Filing fees	1,365	11,786	2,730	28,933
Share-based compensation (note 5)	-	154,748	-	154,748
Loss and comprehensive loss	\$ 87,010	\$ 175,441	\$ 98,341	\$ 206,919
Basic and diluted net loss per share	(0.00)	(0.01)	(0.00)	(0.02)
Weighted average number of common shares:				
Basic and diluted	25,000,000	12,590,909	25,000,000	11,410,891

See accompanying notes to financial statements.

BASTION SQUARE PARTNERS INC.

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Unaudited Interim Condensed Statement of Changes in Shareholders' Equity

	Share capital	Contributed surplus	Deficit	Total
Balance, April 30, 2021	\$ 500,000	\$ -	\$ (32,893)	\$ 467,107
Issuance of common shares pursuant to initial public offering	1,500,000	-	-	1,500,000
Share issuance costs (note 4)	(150,493)	19,645	-	(130,848)
Share-based compensation (note 5)	-	154,748	-	154,748
Loss for the period	-	-	(206,919)	(206,919)
Balance, October 31, 2021	\$ 1,849,507	\$ 174,393	\$ (239,812)	\$1,784,088
Balance, April 30, 2022	1,845,219	174,393	(282,565)	1,737,047
Loss for the period	-	-	(98,341)	(98,341)
Balance, October 31, 2022	\$1,845,219	\$ 174,393	\$ (380,906)	\$1,638,706

See accompanying notes to financial statements.

BASTION SQUARE PARTNERS INC.

(A Capital Pool Corporation)

Unaudited Interim Condensed Statement of Cash Flows

	Six months ended October 31, 2022	Six months ended October 31, 2021
Cash provided by (used in):		
Operations:		
Loss for the period	\$ (98,341)	\$ (206,919)
Items not affecting cash: share-based compensation	-	154,748
Change in non-cash operating accounts:		
Prepaid expenses	(3,644)	(13,158)
Accounts payable and accrued liabilities	32,367	456
	\$ (69,618)	\$ (64,873)
Financing		
Common shares issued	\$ -	\$1,500,000
Share issuance costs	-	(130,848)
	\$ -	\$1,369,152
Increase (decrease) in cash	(69,618)	1,304,279
Cash, beginning of period	1,764,590	494,825
Cash, end of period	\$1,694,972	\$1,799,104

See accompanying notes to financial statements.

BASTION SQUARE PARTNERS INC.

(A Capital Pool Corporation)

Notes to the Unaudited Interim Condensed Financial Statements

For the three and six-month periods ended October 31, 2022 and October 31, 2021

1. Incorporation and nature of operations:

Bastion Square Partners Inc. (the "Corporation") was incorporated under the British Columbia Business Corporations Act on February 24, 2021 and is a Capital Pool Corporation, as defined in the Policy 2.4 of the Corporate Finance Manual of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced operations and has no assets other than cash. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition or business will be subject to the approval of the Exchange and in case of a non-arm's length transaction, of the majority of the Corporation's minority shareholders.

Once a QT has been identified, the Corporation's ability to complete the transaction may be dependent on additional funding. There is no assurance that the Corporation will be successful in obtaining any additional funding.

Pursuant to an initial public offering ("IPO") on October 12, 2021, the Corporation's shares became publicly traded on the Exchange under the symbol "BASQ.P".

The registered office of the Corporation is located at Suite 1200, 750 West Pender Street, Vancouver, BC and its principal place of business is Suite 110, 517 Fort Street, Victoria, BC.

On December 7, 2022, the Board of Directors of the Corporation approved the unaudited condensed interim financial statements for the six-month periods ended October 31, 2022 and October 31, 2021.

2. Basis of presentation:

(a) Statement of compliance:

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of preparation:

The financial statements are presented in Canadian dollars, which is the Corporation's functional and reporting currency.

The financial statements are prepared on a historical cost basis. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

BASTION SQUARE PARTNERS INC.

(A Capital Pool Corporation)

Notes to the Unaudited Interim Condensed Financial Statements

For the three and six-month periods ended October 31, 2022 and October 31, 2021

2. Basis of presentation (continued):

(c) Use of estimates and judgements:

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgements and assumptions that affect the application of accounting methods and the amounts recognized in the financial statements. These estimates and the underlying assumptions are established and reviewed continuously on the basis of past experience and other factors considered reasonable in the circumstances. Actual results may differ from the estimates.

Significant judgements and estimates relate to:

(i) Share-based compensation

Share-based compensation is measured at fair value using the Black-Scholes option pricing model and management uses judgement to determine the inputs to the model including expected lives, underlying share price volatility and forfeiture rates. Volatility is estimated using a comparable peer group until such time as sufficient trading history is available for the Corporation's own shares.

3. Significant accounting policies:

The significant accounting policies applied in the preparation of these interim financial statements are consistent with the accounting policies disclosed in Note 3 of the audited financial statements for the year ended April 30, 2022 and for the period from incorporation on February 24, 2021 to April 31, 2021.

(a) Loss per share:

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

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4. Share capital:

Authorized:

Unlimited voting common shares
Unlimited preferred shares

Issued:

25,000,000 common shares	\$ 2,000,000
Share issuance costs	(154,781)
Balance, October 31, 2022	<u>\$1,845,219</u>

(a) Share capital:

(i) Escrowed shares:

On April 21, 2021, the Corporation issued 10,000,000 common shares at \$0.05 per share for total proceeds of \$500,000.

The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange.

All common shares of the Corporation acquired in the secondary market prior to the completion of a QT by non-arm's length parties, as defined in the policies of the Exchange are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

(ii) Initial Public Offering:

On October 12, 2021, the Corporation completed its IPO of 15,000,000 shares at \$0.10 per share for gross proceeds of \$1,500,000. Haywood Securities Inc. ("Haywood") acted as the agent for the offering. Pursuant to the completion of the IPO, the Corporation issued 375,000 agents' warrants, each warrant is exercisable into one common share at an exercise price of \$0.10 per share, and will expire on October 12, 2024. The value attributed to agent warrants issued to Haywood was \$19,645. In addition to the \$19,645 non-cash share issue costs associated with the agents' warrants, the Corporation incurred cash issuance costs of \$135,136.

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5. Share-based compensation:

(a) Stock options:

The Corporation adopted a common share stock option plan in accordance with the policies of the Exchange. Stock options may be granted for common shares for a maximum term of ten years from the date of the grant and are non-transferable.

Unless otherwise stated, stock options fully vest when granted. The common share exercise price of stock options must be in compliance with the policies of the Exchange at the date of grant.

On October 12, 2021, the Corporation granted 2,500,000 stock options to directors and officers with an exercise price of \$0.10 per share and an expiry date of October 12, 2026.

The following table summarizes information about the stock options as at October 31, 2022:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years)	Number of options exercisable
\$ 0.10	2,500,000	3.95	2,500,000

The Corporation recorded share-based compensation expense of \$154,109 during the year ended April 31, 2022. The fair value of options recognized in the period has been estimated using the Black-Scholes Pricing Model with the following assumptions on the grant date of the options:

Risk free rate	0.95%
Expected life of options (years)	3 years
Annualized volatility	100%
Grant date fair value per option	\$ 0.062

(b) Warrants:

On October 12, 2021, the Corporation granted 375,000 warrants to Haywood with an exercise price of \$0.10 per share and an expiry date of October 12, 2024.

The following table summarizes information about the warrants as at October 31, 2022:

Exercise price per share of warrants outstanding	Number of warrants outstanding	Weighted average remaining life (years)	Number of warrants exercisable
\$ 0.10	375,000	1.95	375,000

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5. Share-based compensation (continued):

(b) Warrants (continued):

The Corporation recorded non-cash share issuance costs of \$19,645 related to the warrants. The fair value of warrants recognized in the year ended April 30, 2022 has been estimated using the Black-Scholes Pricing Model with the following assumptions on the grant date of the warrants:

Risk free rate	0.70%
Expected life of options (years)	2 years
Annualized volatility	100%
Grant date fair value per option	\$0.052

6. Financial risk management objectives and policies:

(a) Capital management:

The Corporation includes equity, comprised of issued common shares, in the definition of capital.

The Corporation's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue this objective, the Corporation may attempt to raise additional funds through the issuance of equity and by securing strategic partners.

The Corporation's current capital was received from the issuance of common shares. The net proceeds raised to date and those anticipated following the close of the IPO will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a QT.

The Corporation is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under the Exchange's Policy 2.4, which will apply following the completion of the IPO. Expenditures may include expenses relating to the IPO, reasonable expenses relating to a proposed QT, 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.

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6. Financial risk management objectives and policies (continued):

(b) Fair values and risk disclosures:

(i) Fair value:

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. Certain of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Corporation's fair value measurements are classified as one of the following levels of the fair value hierarchy:

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying value of cash and accounts payable and accrued liabilities approximates its fair value.

(ii) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's cash. To reduce credit risk, the Corporation's cash is held with a highly rated financial institution. The carrying amount of cash represents the maximum credit exposure to the Corporation.

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6. Financial risk management objectives and policies (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation has accounts payable and accrued liabilities of \$67,717 at October 31, 2022 (2021 - \$28,174) and does not have significant exposure to liquidity risk.

(d) 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 commodity and equity prices. The Corporation does not have significant exposure to these risks.

7. Related party transactions:

The Corporation's related parties consist of the Corporation's directors and officers, and any companies associated with them. There were no related party transactions during the three and six-month periods ended October 31, 2022.

Key management includes directors and executive officers of the Corporation. During the three and six-month periods ended October 31, 2022, no compensation was paid or payable for key management services.

During the three and six month periods ended October 31, 2021, the Corporation recognized \$154,748 in share-based compensation vested to directors and officers of the Corporation.