

Hypercharge Networks Corp.
(formerly Cliffwood Capital Corp.)

Condensed Interim Financial Statements
For the nine months ended May 31, 2021 and 2020

Expressed in Canadian Dollars - Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

Hypercharge Networks Corp. (formerly Cliffwood Capital Corp.)

Condensed Interim Statements of Financial Position

Expressed in Canadian Dollars

	May 31, 2021 (unaudited)	August 31, 2020
Assets		
Current assets		
Cash	\$ 2,570,230	\$ 160,420
Receivable	4,197	-
Prepaid	1,000	-
Investment (Note 3)	198,863	-
Total assets	\$ 2,774,290	\$ 160,420
Liabilities		
Current liabilities		
Accounts payable (Note)	\$ 50,000	\$ 8,863
Accrued liabilities	-	9,575
Total liabilities	50,000	18,438
Shareholders' equity		
Share capital (Note 4)	2,907,558	221,951
Retained earnings (deficit)	(183,268)	(79,969)
Total shareholders' equity	2,724,900	141,982
Total liabilities and shareholders' equity	\$ 2,774,290	\$ 160,420

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

/s/ "Bronson Peever"

Bronson Peever, Director

/s/ "Liam Firus"

Liam Firus, Director

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

Hypercharge Networks Corp. (formerly Cliffwood Capital Corp.)
Condensed Interim Statements of Income and Comprehensive Income
Expressed in Canadian Dollars - Unaudited

	Three months ended May 31, 2021	Three months ended May 31, 2020	Nine months ended May 31, 2021	Nine months ended May 31, 2020
Expenses				
Consulting fees (Note 5)	\$ 138,570	\$ 4,725	\$ 152,725	\$ 15,225
Marketing	51,000	-	51,000	-
Professional fees	7,496	-	9,520	6,060
Filing and transfer agent fees	-	93	1,814	1,872
Bank charges and interest	80	103	1,242	263
General and administrative costs	13,722	-	16,701	-
	(210,868)	(4,921)	(233,002)	(23,420)
Fair value gain (loss) on investment (Note 3)	-	-	86,363	-
Realized gain on sale of investment (Note 3)	-	-	43,340	-
Interest income	-	807	-	807
Net and comprehensive income (loss)	\$ (210,868)	\$ (4,114)	\$ (103,299)	\$ (22,613)
Basic and diluted income (loss) per share	\$ (0.02)	\$ (0.00)	\$ 0.01	\$ (0.00)
Weighted average number of shares outstanding – basic and diluted	12,902,440	8,588,652	10,116,672	8,533,885

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Hypercharge Networks Corp. (formerly Cliffwood Capital Corp.)

Condensed Interim Statement of Changes in Shareholders' Equity

Expressed in Canadian Dollars - Unaudited

	Share capital		Deficit	Total shareholders' equity
	Number	Amount		
Balance, August 31, 2019	8,506,201	\$ 202,501	\$ (26,548)	\$ 175,953
Common shares issued, net of share issuance costs (Note 4)	194,500	8,950	-	8,950
Net and comprehensive loss for the period	-	-	(22,613)	(22,613)
Balance, May 31, 2020	8,700,701	221,451	(49,161)	162,290
Balance, August 31, 2020	8,700,701	221,951	(79,969)	141,982
Common shares issued, net of share issuance costs (Note 4)	7,300,000	146,000	-	146,000
Common shares issued, net of share issuance costs (Note 4)	10,186,000	2,539,607	-	2,539,607
Net and comprehensive income for the year	-	-	(103,299)	(103,299)
Balance, May 31, 2021	26,186,701	\$ 2,907,558	\$ (183,268)	\$ 2,727,290

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

Hypercharge Networks Corp. (formerly Cliffwood Capital Corp.)

Condensed Interim Statements of Cash Flows

Expressed in Canadian Dollars - Unaudited

	Nine months ended May 31, 2021	Nine months ended May 31, 2020
Cash provided by (used in):		
Operating activities		
Net and comprehensive income (loss) for the period	\$ (103,299)	\$ (22,613)
Items not involving cash		
Receivable	(4,197)	(807)
Fair value gain on investment	(86,363)	-
Realized gain on the sale of investment	(43,340)	-
Changes in non-cash working capital items:		
Prepaid expenses	(1,000)	-
Accounts payable and accrued liabilities	31,562	(7,620)
Net cash used in operating activities	(206,637)	(31,040)
Investing activities		
Purchase of investment	(150,000)	(98,565)
Repayment of note receivable	-	50,000
Proceeds from the sale of investment	80,840	-
Net cash provided by (used in) investing activities	(69,160)	(48,565)
Financing activities		
Proceeds from subscriptions received	-	150
Proceeds from issuance of shares, net of issuance costs	2,685,607	8,950
Net cash provided by financing activities	2,685,607	9,100
Increase (decrease) in cash	2,409,810	(70,505)
Cash, beginning	160,420	133,573
Cash, ending	\$ 2,570,230	\$ 63,068

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

Hypercharge Networks Corp. (formerly Cliffwood Capital Corp.)

Notes to Condensed Interim Financial Statements

For the Nine Months Ended May 31, 2021

Expressed in Canadian Dollars - Unaudited

1. Nature and continuance of operations

Hypercharge Networks Corp. (the “Company”) was incorporated under the British Columbia Business Corporations Act on September 5, 2018. On March 10, 2021, the Company changed its name to Hypercharge Networks Corp. from Cliffwood Capital Corp. The head office of the Company is located at Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and the registered and records office of the Company is located at Suite 409 – 221 West Esplanade Street, North Vancouver, British Columbia, V7M 3J3.

There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. As such, the Company’s business involves a high degree of risk. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities. As a result of COVID-19 the Company may experience delays in obtaining financing or concluding transactions it is evaluating.

2. Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these condensed consolidated interim financial statements should be read in conjunction with the Company’s August 31, 2020 audited annual financial statements and the notes to such financial statements.

These condensed consolidated interim financial statements are based on the IFRS issued and effective as of July 30, 2021, the date these financial statements were authorized for issuance by the Company’s Board of Directors and follow the same accounting policies and methods of computation as the most recent annual financial statements.

Hypercharge Networks Corp. (formerly Cliffwood Capital Corp.)

Notes to Condensed Interim Financial Statements

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3. Investment

In October 2020, the Company invested \$150,000 in American CBD Extraction Corp. ("American CBD") through a non-brokered subscription receipt financing.

Subsequently, on October 21, 2020, American CBD entered into an Amalgamation Agreement (the "Agreement") with Thoughtful Brands Inc. ("Thoughtful Brands") and pursuant to the Agreement, the Company received 4,820,917 shares of Thoughtful Brands in exchange for its shares of American CBD.

In December 2020, the Company sold 1,205,230 shares of its investment in Thoughtful Brands with an original cost of \$37,500 for gross proceeds of \$80,840, realizing a gain on the sale of investments of \$43,340 in the statement of income and comprehensive income.

The fair value of the Company's remaining investment in Thoughtful Brands as at May 31, 2021 was \$198,863, or \$0.055 per share. As a result, a fair value gain of \$86,363 was recognized in the statement of income and comprehensive income for the nine months ended May 31, 2021 (2020 - \$nil). A fair value loss of \$76,997 was recognized in the statement of income and comprehensive income for the three months ended May 31, 2021 (2020 - \$nil). A continuity of the value of the Company's investment is as follows:

Balance, August 31, 2020	\$	-
Purchase		150,000
Sale		(37,500)
Fair value adjustment		86,363
Balance, May 31, 2021	\$	198,863

On April 16, 2021, Thoughtful Brands' issued and outstanding common shares were consolidated on the basis of one (1) new common share for every ten (10) common shares issued and outstanding. All Thoughtful Brands share and per share amounts disclosed herein are pre-consolidation.

In July 2019, the Company provided a \$50,000 unsecured, non-interest-bearing loan to a shareholder of the Company repayable on or before December 31, 2019, or on demand at the option of the Company. The note receivable was repaid in December 2019.

During the nine months ended May 31, 2020, the Company advanced \$98,565 to an arm's length third party, due April 30, 2021, bearing interest at 10% per annum. The Company recognized interest income of \$807 during the three and nine months ended May 31, 2020 (May 31, 2019 - \$nil). The note receivable, including accrued interest of \$2,022, was repaid in July 2020 (Note 8).

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4. Share capital

(a) Authorized

The Company has authorized an unlimited number of common shares without par value.

(b) Issued

As at May 31, 2021, there were 26,186,701 common shares outstanding.

On April 22, 2021, the Company closed a non-brokered private placement by issuing 7,300,000 common shares at a price of \$0.02 per share for gross proceeds of \$146,000.

On May 21, 2021, the Company closed a non-brokered private placement by issuing 10,186,000 common shares at a price of \$0.25 per share for gross proceeds of \$2,546,500.

(c) Warrants

The warrant continuity schedule is as follows:

	Number of warrants	Weighted average exercise price
Warrants outstanding, August 31, 2020	8,100,000	\$ 0.05
Warrants issued	-	-
Warrants cancelled	(8,100,000)	0.05
Warrants outstanding, May 31, 2021	-	\$ -

Details of warrants outstanding as May 31, 2021 are as follows:

Exercise price (\$)	Number of warrants outstanding	Expiry date
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During the nine months ended May 31, 2021, 8,100,000 warrants were cancelled (Note 7).

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5. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Remuneration attributed to key management personnel includes:

- Consulting fees of 138,570 during the three months ended May 31, 2021 (three months ended May 31, 2020 - \$4,725) and \$152,725 during the nine months ended May 31, 2021 (nine months ended May 31, 2020 - \$15,225) to a company controlled by a close family member of the CFO as well as the CEO.

As at May 31, 2021, there is a balance of \$1,575 (August 31, 2020 - \$1,575) payable to a company controlled by a close family member of the CFO, which is included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

In addition, as at May 31, 2021, there is a balance of \$Nil (August 31, 2020 - \$Nil) payable to the CEO for expense reimbursements.

6. Financial instruments

(a) Categories of financial instruments and fair value measurements

	May 31, 2021	August 31, 2020
Financial assets at amortized cost		
Cash	\$ 2,570,230	\$ 160,420
Financial assets at fair value through profit or loss		
Investments	198,863	-
Financial liabilities at amortized cost		
Accounts payable	(50,000)	(8,863)
	\$ 2,719,093	\$ 151,557

The Company considers that the carrying amount of all its financial assets recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

(b) Management of financial risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed credit risk as low.

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6. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at May 31, 2021. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

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. The Company is not exposed to interest rate risk.