

**PRIYANKA CAPITAL INC.**

**Unaudited Condensed Interim Financial Statements  
Nine Months Ended July 31, 2018  
(Expressed in Canadian Dollars)**

## **MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL REPORTING**

The accompanying unaudited condensed interim financial statements of Priyanka Capital Inc. [the "Company"] are the responsibility of the management and Board of Directors of the Company. The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced. The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Glen Macdonald  
Director

Vancouver, BC  
October 1, 2018

## **NOTICE TO READERS**

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements for the nine months ended July 31, 2018 have not been reviewed by the Company's auditors.

**PRIYANKA CAPITAL INC.**  
**Unaudited Condensed Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

	July 31, 2018	October 31, 2017
<b>Assets</b>		
Current		
Cash	\$ 122	\$ 210
GST receivable	4,667	795
	4,789	1,005
<b>Loan Receivable</b> (note 8)	58,991	35,833
<b>Total Assets</b>	\$ 63,780	\$ 36,838
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 228,398	\$ 122,474
Due to related party (note 7)	525	525
	228,923	122,999
<b>Shareholders' Equity</b>		
Capital stock (note 5)	65,833	65,833
Deficit	(230,976)	(151,994)
	(165,143)	(86,161)
<b>Total Liabilities and Shareholders' Equity</b>	\$ 63,780	\$ 36,838

Approved on behalf of the Board on October 1, 2018:

"Glen Macdonald" (signed)  
Glen Macdonald, Director

"Ken Ralfs" (signed)  
Ken Ralfs, Director

**PRIYANKA CAPITAL INC.****Unaudited Condensed Interim Statements of Loss and Comprehensive Loss****For Nine Months Ended July 31, 2018****(Expressed in Canadian Dollars)**

	<b>Three Months Ended July 31, 2018</b>	<b>Three Months Ended July 31, 2017</b>	<b>Nine Months Ended July 31, 2018</b>	<b>Nine Months Ended July 31, 2017</b>
<b>Expenses</b>				
Bank charges	\$ 18	\$ 18	\$ 89	\$ 54
Consulting	25,000	10,000	75,000	30,000
Office and miscellaneous	-	-	586	-
Professional fees	-	-	2,448	-
Transfer agent and filing fees	-	-	1,779	-
<b>Net Loss and Total Comprehensive Loss for the Period</b>				
	\$ (25,018)	\$ (10,018)	\$ (79,902)	\$ (30,054)
<b>Basic and Diluted Loss Per Common Share</b>				
	\$ (0.02)	\$ (0.01)	\$ (0.06)	\$ (0.02)
<b>Weighted Average Number of Common Shares Outstanding</b>				
	1,316,670	1,316,670	1,316,670	1,316,670

**PRIYANKA CAPITAL INC.****Unaudited Condensed Interim Statements of Changes in Shareholders' Equity****For Nine Months Ended July 31, 2018****(Expressed in Canadian Dollars - except the number of shares)**

	<b>Number of Shares Outstanding</b>	<b>Capital Stock</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, October 31, 2016</b>	1,316,670	65,833	(109,162)	(43,329)
Net loss for period	-	-	(30,054)	(30,054)
Balance, July 31, 2017	1,316,670	65,833	(139,216)	(73,383)
<b>Balance, October 31, 2017</b>	1,316,670	65,833	(151,994)	(86,161)
Adjustment			920	920
Net loss for period	-	-	(79,902)	(79,902)
<b>Balance, July 31, 2018</b>	1,316,670	65,833	(230,976)	(165,143)

**PRIYANKA CAPITAL INC.**  
**Unaudited Condensed Interim Statements of Cash Flows**  
**For Nine Months Ended July 31, 2018**  
**(Expressed in Canadian Dollars)**

	<b>Nine Months Ended July 31, 2018</b>	<b>Nine Months Ended July 31, 2017</b>
<b>Cash Provided by (Used in)</b>		
<b>Operating Activities</b>		
Net loss for the period	\$ (79,902)	\$ (30,054)
Change in non-cash working capital components		
GST receivable	(3,872)	-
Prior period adjustment	920	-
Accounts payable and accrued liabilities	105,924	30,000
Loan receivable	(23,158)	-
<b>Cash Used in Operating Activities</b>	<b>(88)</b>	<b>(54)</b>
<b>Change in Cash</b>	<b>(88)</b>	<b>(54)</b>
<b>Cash, Beginning of Period</b>	<b>210</b>	<b>283</b>
<b>Cash, End of Period</b>	<b>\$ 122</b>	<b>\$ 229</b>

# **PRIYANKA CAPITAL INC.**

## **Notes to the Unaudited Condensed Interim Financial Statements**

**For Nine Months Ended July 31, 2018**

**(Expressed in Canadian Dollars)**

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### **1. NATURE AND GOING CONCERN**

Priyanka Capital Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on October 16, 2014, and was a wholly-owned subsidiary of Leucadia Finance Partners Inc. ("Leucadia") until February 12, 2015. The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets. The address of its head office is located at 488 - 625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6.

The Company entered into an arrangement agreement dated December 8, 2014 (the "Arrangement Agreement") with Leucadia, Glenmac Capital Inc., Nishal Capital Inc., Ravensden Capital Inc. and Real Difference Capital Inc. Final court approval of the plan of arrangement (the "Arrangement") was obtained on January 15, 2015 and the Company completed its arrangement on February 12, 2015 (the "Effective Date"). Shareholders of record of Leucadia on the Effective Date (the "Shareholders") received, among other things, one new common share of Leucadia and one-half of one Class 1 Reorganization Share of Leucadia (each whole share, a "Reorganization Share") for each Leucadia share held. The Reorganization Shares were then, pursuant to the Arrangement and requisite corporate approvals, automatically transferred by Shareholders to the Company in exchange for an aggregate of 1,316,670 common shares of the Company (each, a "Priyanka Share"), after accounting for rounding, which shares were issued to the Shareholders on a pro rata basis, such that the 1,316,667 Reorganization Shares were exchanged for 1,316,670 Priyanka Shares. Fractional shares of the Company were not issued, and any fractional shares resulting from the Arrangement were rounded up or down to the nearest whole number. Immediately following this, Leucadia redeemed all of the Reorganization Shares for a total of \$65,833 by the transfer to the Company of \$30,000 cash and a promissory note in the principal amount of \$35,833.

The unaudited condensed interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company had not yet achieved profitable operations with negative working capital of \$165,143 (2017: \$63,365) and deficit of \$230,976 (2017: \$129,198) and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. In addition, the Company will require additional financing in order to carry out its business objectives.

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

#### **(a) Statement of compliance**

These unaudited condensed interim financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee, and have been prepared in accordance with IAS 34 Interim Financial Reporting.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency. All values are rounded to the nearest dollar unless otherwise indicated.

The significant accounting policies set out in note 3 have been applied consistently to all periods presented.

## **PRIYANKA CAPITAL INC.**

### **Notes to the Unaudited Condensed Interim Financial Statements**

**For Nine Months Ended July 31, 2018**

**(Expressed in Canadian Dollars)**

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#### **2. BASIS OF PRESENTATION (Continued)**

(b) Approval of the financial statements

The unaudited condensed interim financial statements of the Company were approved by the directors and authorized for issue on October 1, 2018.

(c) New accounting pronouncement

The following standard will become effective in future periods. The Company is assessing the impact to its financial reporting, if any.

*IFRS 9 Financial Instruments (2014)*

The finalized version of IFRS 9 contains accounting requirements for financial instruments, replacing IAS 39. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to the Company's annual period beginning on November 1, 2018.

## **PRIYANKA CAPITAL INC.**

### **Notes to the Unaudited Condensed Interim Financial Statements**

**For Nine Months Ended July 31, 2018**

**(Expressed in Canadian Dollars)**

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### **3. SIGNIFICANT ACCOUNTING POLICIES**

(a) Financial instruments

(i) Financial assets

*Fair value through profit or loss ("FVTPL")*

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category of financial assets.

*Loans and receivables*

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at period-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method. The Company classifies loans receivable, excluding GST receivable, as loans and receivables.

(ii) Financial liabilities and other financial liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of loss and comprehensive loss over the period to maturity using the effective interest method.

Other financial liabilities are classified as current or non-current based on their maturity date. Accounts payable and due to related party are included in this category.

## **PRIYANKA CAPITAL INC.**

### **Notes to the Unaudited Condensed Interim Financial Statements**

**For Nine Months Ended July 31, 2018**

**(Expressed in Canadian Dollars)**

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(b) Capital stock

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(c) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statements of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amounts for financial statement purposes and the tax basis for certain assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset will be reduced.

## **PRIYANKA CAPITAL INC.**

### **Notes to the Unaudited Condensed Interim Financial Statements**

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) Use of judgments and estimates

The preparation of unaudited condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring significant estimates in the current period include accrued liabilities. Significant areas requiring the use of management judgments in the application of IFRS during the preparation of the financial statements with the risk of material adjustment are as follows:

*Income taxes*

In assessing the probability of realizing deferred income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by tax authorities. The Company has not recognized any deferred income tax assets.

*Collectability of loans receivable*

The Company records an allowance for doubtful accounts related to due from related parties that are considered to be uncollectible. The allowance is based on the Company's knowledge of the financial condition of its related parties, the aging of the receivables and historical experience. A change to these factors could impact the estimated allowance and the provision for bad debts. As at July 31, 2018, the Company has not recorded an allowance against its loans receivable.

*Going concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

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### **Notes to the Unaudited Condensed Interim Financial Statements**

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

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

##### *Credit risk*

The Company's cash is largely held in large Canadian financial institutions. The Company maintains cash deposits with these financial institutions, which from time to time may exceed federally insured limits. The Company is exposed to credit risk to the extent of its loans receivable.

##### *Liquidity risk*

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. All of the Company's financial liabilities are current and expected to fall due within 30 days, except for the loan payable, which is due on demand.

##### *Foreign exchange risk*

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign exchange risk.

##### *Interest rate risk*

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company maintains bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

##### *Other price risk*

Other price risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices other than from interest rates and foreign currency risk. The Company is not exposed to other price risk.

## **PRIYANKA CAPITAL INC.**

### **Notes to the Unaudited Condensed Interim Financial Statements**

**For Nine Months Ended July 31, 2018**

**(Expressed in Canadian Dollars)**

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#### **5. CAPITAL STOCK**

(a) Authorized

Unlimited number of common shares and preferred shares without par value.

(b) Issued and outstanding

The Company issued one common share at a price of \$1 on October 16, 2014 and subsequently cancelled it during the year ended October 31, 2015.

The Company issued 1,316,670 common shares for a total of \$65,833 pursuant to the Arrangement (note 1).

#### **6. CAPITAL MANAGEMENT**

The Company does not use sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company considers its capital to be its capital stock. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There have been no changes in the Company's approach to capital management during the nine months ended July 31, 2018.

#### **7. RELATED PARTY TRANSACTIONS**

Due to a related party as at July 31, 2018 is \$525 (2017: \$525) owing to Nishal Capital Inc., a company related by common directors for the purpose of reimbursing expenses paid on behalf of the Company. The balances are unsecured, non-interest-bearing and have no fixed terms of repayment.

Refer to note 8 for additional related party transactions.

The above transactions are in the normal course of operations and are measured at the exchange amounts, which is the amount of consideration established and agreed to by the related parties.

## **PRIYANKA CAPITAL INC.**

### **Notes to the Unaudited Condensed Interim Financial Statements**

**For Nine Months Ended July 31, 2018**

**(Expressed in Canadian Dollars)**

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#### **8. LOAN RECEIVABLE**

Pursuant to the Arrangement (note 1), the Company holds a promissory note of \$35,833 from Leucadia, a company related by common directors. The promissory note is non-interest-bearing, due on demand, and has no fixed terms of repayment.

The Company made a loan of \$11,213 to a third party. This loan is non-interest-bearing, due on demand, and has no fixed terms of repayment. During the nine months ended July 31, 2018, the company received a repayment of loan in the amount of \$1,802 and has a loan balance of \$9,411 from this third party as at July 31, 2018.

#### **9. LOANS PAYABLE**

The Company received a loan of \$80,000 from Real Difference Capital Inc., a company related by common directors. This loan is non-interest-bearing, due on demand, and has no fixed terms of repayment.

The Company received a loan of \$500 from an arm's length party. This loan is non-interest-bearing, due on demand, and has no fixed terms of repayment.