

**Meteorite Capital Inc.**  
**Condensed Interim Financial Statements**  
*September 30, 2019*

# Meteorite Capital Inc. Contents

*For the three and nine-month period ending September 30, 2019*

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**NOTICE TO READER**

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management of Meteorite Capital Inc.

The independent auditor has not performed a review of these unaudited 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.

**Meteorite Capital Inc.**  
**Condensed Interim Statement of Financial Position**  
*(Expressed in Canadian dollars)*

As at	<b>September 30, 2019</b>	<i>December 31, 2018</i>
<b>Assets</b>		
Current assets		
Cash	681	730,664
Investment in short-term GIC <i>(Note 4)</i>	<b>625,000</b>	-
<b>Total assets</b>	<b>625,681</b>	730,664
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities <i>(Note 7)</i>	3,413	69,008
<b>Total liabilities</b>	<b>3,413</b>	69,008
<b>Equity</b>		
Share capital <i>(Note 6)</i>	776,233	776,233
Warrants <i>(Note 6)</i>	39,874	39,874
Deficit	<b>(193,839)</b>	<b>(154,451)</b>
<b>Total equity</b>	<b>622,268</b>	661,656
<b>Total equity and liabilities</b>	<b>625,681</b>	730,664

Approved on behalf of the Board

\_\_\_\_\_  
 "signed"  
 Ivan Spector  
 Director

\_\_\_\_\_  
 "signed"  
 Richard Yanofsky  
 Director

**Meteorite Capital Inc.**  
**Condensed Interim Statement of Loss and Comprehensive Loss**  
*For the three and nine-month periods ended September 30, 2019*  
*(Expressed in Canadian dollars)*

	2019		2018	
	<i>Three-months</i>	<i>Nine-months</i>	<i>Three-months</i>	<i>five-months</i>
<b>Expenses</b>				
Professional fees	18,535	33,342	21,637	28,947
Listing fees	8	5,987	63,374	63,374
Bank charges	29	59	36	53
<b>Net loss and comprehensive loss</b>	<b>18,572</b>	<b>39,388</b>	85,047	92,374
Basic and fully diluted loss per share <i>(Note 6(c))</i>	<b>0.00</b>	<b>0.01</b>	0.04	0.04

*The accompanying notes are an integral part of these Condensed Interim Financial Statements*

**Meteorite Capital Inc.**  
**Condensed Interim Statement of Changes in Equity**  
*For the nine-month period ended September 30, 2019*  
*(Expressed in Canadian dollars)*

	<i>Number of shares</i>	<i>Share Capital</i>	<i>Warrants</i>	<i>Deficit</i>	<i>Total equity</i>
<b>Balance – January 1, 2019</b>	<b>7,065,000</b>	<b>776,233</b>	<b>39,874</b>	<b>(154,451)</b>	<b>661,656</b>
Net loss and comprehensive loss	-	-	-	(39,388)	(39,388)
<b>Balance – September 30, 2019</b>	<b>7,065,000</b>	<b>776,233</b>	<b>39,874</b>	<b>(193,839)</b>	<b>622,268</b>

	<i>Number of shares</i>	<i>Share Capital</i>	<i>Warrants</i>	<i>Deficit</i>	<i>Total equity</i>
<b>Balance - April 27, 2018</b>	-	-	-	-	-
Issuance of shares and warrants during the period ( <i>Note 6</i> )	7,065,000	776,233	39,874	-	816,107
Comprehensive loss	-	-	-	(92,374)	(92,374)
<b>Balance – September 30, 2018</b>	<b>7,065,000</b>	<b>776,233</b>	<b>39,874</b>	<b>(92,374)</b>	<b>723,733</b>

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

**Meteorite Capital Inc.****Statement of Cash Flows***For the six-month period ended September 30, 2019**(Expressed in Canadian dollars)*

	2019	2018 (5 months)
<b>Cash flows (used in) provided by</b>		
<b>Operating activities</b>		
Net loss	\$(39,388)	\$(92,374)
Net change in non-cash working capital items		
Taxes recoverable	-	(11,071)
Accounts payable and accrued liabilities	(65,595)	58,051
	<b>(104,983)</b>	<b>(45,394)</b>
<b>Investing activities</b>		
Investment in short-term GIC	(625,000)	-
	<b>(625,000)</b>	-
<b>Financing activities</b>		
Proceeds from issuance of common shares and warrants	-	816,107
Net changes in cash	(729,983)	(770,713)
Cash and cash equivalents, beginning of period	730,664	-
<b>Cash and cash equivalents, end of period</b>	<b>\$681</b>	<b>\$770,713</b>
Non-cash transactions		
Issuance of agents' warrants	\$-	\$39,874

*The accompanying notes are an integral part of these Condensed Interim Financial Statements*

**Meteorite Capital Inc.**  
**Notes to the Condensed Interim Financial Statements**  
As at September 30, 2019  
(Expressed in Canadian dollars)

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**1. Nature of operations**

Meteorite Capital Inc. ("the Company") was incorporated pursuant to the provisions of the Canada Business Corporations Act on April 27, 2018. The Company carries on business as a "Capital Pool Corporation" ("CPC"), as such term is defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4 - Capital Pool Companies ("Policy 2.4"). To date, the Company has no business operations and did not enter into any agreement to acquire an interest in businesses or assets. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company's registered head office address is 1 Place Ville Marie, Suite 3900, Montreal, Québec H3B 4M7.

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under Exchange Policy 2.4, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or delist the Company's shares from trading should it not meet these requirements. Moreover, The Company has incurred a net loss of \$39,388 during the nine-month period ended June 30, 2019 and has an accumulated deficit in the amount of \$193,839 and expects to continue to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty which may cast significant doubt about the soundness of the going concern assumption.

**2. Basis of presentation**

These Condensed Interim Financial Statements are prepared by the Company in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by the International Accounting Standards Board and using the accounting policies in the Company's 2018 8-month period ended financial statements disclosed in Note 2 to those financial statements. These condensed interim financial statements should be read in conjunction with those financial statements. They have been prepared under the assumption that the Company operates as a going concern.

These Condensed Interim Financial Statements for the nine-month period ended September 30, 2019 were authorized for issue by the Board of Directors on November 28, 2019.

**3. Significant accounting policies**

**Cash**

Cash is comprised of demand deposits with financial institutions.

**Financial assets and financial liabilities**

Financial assets are classified and measured based on the business model in which assets are managed and their cash flow characteristics. The Company determines the classification of financial assets at initial recognition. Financial assets are classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). Financial liabilities are classified and measured on two categories: amortized cost or FVTPL.

The Company's financial assets are cash and Investment in short-term GIC. Cash and Investment in short-term GIC are classified and measured at amortized cost.

Such assets are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

The Company's financial liabilities are accounts payable and accrued liabilities which are classified and measured at amortized cost.

**3. Significant accounting policies** (Continued from previous page)

As at the end of the period, there are no amounts measured at fair value.

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments measured at fair value on the statement of financial position consist of cash held in a Canadian chartered bank. Cash and cash equivalents and Investments in short-term GIC are measured at level 1 of the fair value hierarchy.

**Income taxes**

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Condensed Interim Financial Statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital, net of any tax effects.

**Warrants**

The Company engages in equity financing transactions which may involve the issuance of common shares or share purchase warrants ("Warrants"). Depending upon the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants are valued based on their fair value using the Black Scholes option pricing model and warrants that are issued as payment for an agency fee or other transaction cost may be accounted for as share based payments, depending on the terms of the issuance.

**Functional currency**

The Company's functional and presentation currency is the Canadian dollar, which represents the currency that is the primary economic environment of the Company.

**Use of estimates, assumptions and judgments**

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

**3. Significant accounting policies** (Continued from previous page)

Management used the Black-Scholes model to estimate the fair value of warrants issued. The estimated life of the warrants at the grant date is based on the legal life of the warrants and the expected exercise pattern of the warrant holders. The expected volatility used to calculate the grant date fair value estimated taking into account the historical volatility of similar companies' share price over the expected term of the warrants granted.

**Accounting standards issued and applied during the period**

IFRS 16, which was issued in January 2016, was adopted by the Company on January 1, 2019 using the full retrospective approach. The Company performed an assessment of its current leases and identified no material finance or operating lease obligations. As a result, adopting this standard did not have a material impact on the condensed interim financial statements.

**4. Investment in short-term GIC**

The Company's investment in short-term GIC in the amount of \$625,000 earns interest at a rate of prime less 2.1% and matures on March 20, 2020.

**5. Financial instruments and risk management**

**Fair Values**

At September 30, 2019, the Company's financial instruments consist of cash, investment in short-term GIC and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

**Credit risk**

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company believes its exposure to credit risk is not significant.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

**Meteorite Capital Inc.**  
**Notes to the Condensed Interim Financial Statements**  
*As at September 30, 2019*  
*(Expressed in Canadian dollars)*

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**6. Share capital**

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	<i>Number of common shares</i>	<i>Amount \$</i>
Shares issuance – founder shares	2,065,000	154,875
Shares issuance – public offering	5,000,000	621,358
<hr/>		
Balance, December 31, 2018	7,065,000	776,233
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Shares issued during the period	-	-
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Balance, September 30, 2019	7,065,000	776,233
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c) Basic and diluted loss per share is calculated as follows:

Net comprehensive loss for the period	\$39,388
Weighted average shares outstanding (including contingently issuable shares)	7,065,000
Loss per share, basic and fully diluted	\$0.01

d) Warrants issued

	<i>Number of Warrants</i>	<i>Fair value \$</i>
Warrant issuance	500,000	39,874
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Balance, December 31, 2018	500,000	39,874
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Warrants issued during the period	-	-
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Balance, September 30, 2019	500,000	39,874
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**Meteorite Capital Inc.**  
**Notes to the Condensed Interim Financial Statements**  
*As at September 30, 2019*  
*(Expressed in Canadian dollars)*

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**7. Related party transactions**

Related parties include the Board of Directors, the president, the chief financial officer, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the nine-month period ended September 30, 2019, a law firm of which an officer, director and shareholder of the Company is a partner, provided legal services in the amount of \$11,904 of which Nil was included in accounts payable and accrued liabilities (2018: 29,945). As at December 31, 2018 the accounts payable included an amount of \$64,008 related to such fees which were subsequently paid in the first quarter of 2019.

**8. Income taxes**

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 26.7% and the Company's effective income tax expense is as follows:

Unrecognized deductible temporary differences consist of the following:

	<b>2019</b>
	<b>\$</b>
Non-capital losses carried-forward	219,217
Share issue costs	63,390
<b>Total</b>	<b>282,607</b>

Deferred tax assets have not been recognized in respect to deductible temporary differences of approximately \$219,217 which arise from non-capital losses. The non-capital losses expire in 2038 and 2039.