

REBEL CAPITAL 2.0 CORP.

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

SEPTEMBER 30, 2018

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed financial statements of Rebel Capital 2.0 Corp. 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

REBEL CAPITAL 2.0 CORP.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

<i>(Unaudited, expressed in Canadian Dollars)</i>	September 30, 2018	December 31, 2017
Assets		
Current assets		
Cash	15,754	62,476
Prepaid expense	-	5,000
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	15,754	67,476
Non-current assets		
Deferred share issuance costs (Note 3)	15,186	15,186
	<hr/>	<hr/>
	30,940	82,662
Liabilities		
Current liabilities		
Accounts payable and accruals	4,666	8,000
Shareholders' equity		
Share capital (Note 4)	100,666	100,666
Contributed surplus (Note 4)	14,995	-
Deficit	(89,387)	(26,004)
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	26,274	74,662
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	30,940	82,662

See accompanying notes to the interim condensed financial statements.

REBEL CAPITAL 2.0 CORP.

INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three and nine months ended September 30, 2018

<i>(Unaudited, expressed in Canadian Dollars)</i>	Three Months	Nine Months
Expenses:		
Legal and professional fees	25,605	48,334
Stock-based compensation expense	-	14,995
Finance costs	18	54
Loss and comprehensive loss for the period	(25,623)	(63,383)
Loss per share – basic and diluted	-	-
Weighted average number of common shares outstanding	-	-

See accompanying notes to the interim condensed financial statements.

REBEL CAPITAL 2.0 CORP.

INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, expressed in Canadian Dollars)

	Number of common shares	Share capital	Contributed surplus	Deficit	Total
Balance at incorporation on October 19, 2017	-	-	-	-	-
Share issuance	2,013,329	100,666	-	-	100,666
Loss for the period	-	-	-	(26,004)	(26,004)
Balance at December 31, 2017	2,013,329	100,666	-	(26,004)	74,662
Stock-based compensation	-	-	14,995	-	14,995
Loss for the period	-	-	-	(63,383)	(63,383)
Balance at September 30, 2018	2,013,329	100,666	14,995	(89,387)	26,274

See accompanying notes to the interim condensed financial statements.

REBEL CAPITAL 2.0 CORP.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the three and nine months ended September 30, 2018

<i>(Unaudited, expressed in Canadian Dollars)</i>	Three Months	Nine Months
Cash flows related to the following activities:		
Operating activities		
Loss for the period	\$ (25,623)	\$ (63,383)
Adjustments for:		
Stock-based compensation	-	14,995
Change in non-cash working capital	(1,959)	1,666
	<u>(27,582)</u>	<u>(46,722)</u>
Net change in cash	(27,582)	(46,722)
Cash, beginning of period	43,336	62,476
Cash, end of period	<u>\$ 15,754</u>	<u>\$ 15,754</u>

See accompanying notes to the interim condensed financial statements.

REBEL CAPITAL 2.0 CORP.
Notes to the Interim Condensed Financial Statements
For the three and nine months ended September 30, 2018 (unaudited)

1. INCORPORATION

Rebel Capital 2.0 Corp. (the "Company") was incorporated under the laws of the Province of British Columbia on October 19, 2017. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the Exchange. The principal business of the Company will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules. The address of the registered office is 1900, 885 West Georgia Street, Vancouver, BC.

Where an acquisition or participation 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.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

2. BASIS OF PREPARATION

Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" under International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These interim condensed financial statements follow the same accounting policies and method of computation as the Company's audited financial statements for the period from incorporation on October 19, 2017 to December 31, 2017, and for the five months ended May 31, 2018 (the "Audited Financial Statements"), with the exception of certain disclosures that are normally required to be included in audited financial statements which have been condensed or omitted. These interim condensed financial statements should be read in conjunction with the Company's Audited Financial Statements.

These unaudited interim condensed financial statements have been prepared on a going concern basis, under the historical cost convention, are stated in Canadian dollars, and were authorized for issue by the Board of Directors on November 28, 2018.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Given the early stage of the Company there were no significant estimates or judgments made by management in the preparation of these financial statements.

REBEL CAPITAL 2.0 CORP.
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Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2018 or later periods. The standards impacted that are applicable to the Company are as follows:

IFRS 9: Financial Instruments

On January 1, 2018, the Company adopted IFRS 9 "Financial Instruments", which includes a principle-based approach for classification and measurement of financial assets and a forward-looking 'expected credit loss' model. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. The classification and measurement of financial instruments under IFRS 9 did not have a material impact on the Company's financial statements.

Impairment of financial assets under IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortized cost, and contract assets and debt investments at FVOCI. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The application of the expected credit loss model to financial assets classified as amortized cost did not result in a material adjustment on transition.

IFRS 9 was applied retrospectively in accordance with transition requirements with no impact to opening retained earnings or comparative periods. Cash continues to be measured at amortized cost and is now classified as "amortized cost". The Company's financial liabilities previously classified as "other financial liabilities" being trade and other payables and accrued liabilities continue to be measured at amortized cost and are now classified as "amortized cost". The Company has not designated any financial instruments as FVOCI or FVTPL, nor does the Company use hedge accounting.

IFRS 15: Revenue from Contracts with Customers

The Company adopted IFRS 15 "Revenue from Contracts with Customers" effective January 1, 2018, which establishes a comprehensive framework for determining whether, how much, and when revenue from contracts with customers is recognized. The Company adopted IFRS 15 using the modified retrospective approach to contracts that were not completed at the date of initial application. Under this transitional provision, the cumulative effect of initially applying IFRS 15 is recognized on the date of initial application as an adjustment to retained earnings. Given that the Company has no revenue-generating operations to date, no adjustment to retained earnings was required upon adoption of IFRS 15.

IFRS 16: Leases

On January 1, 2019, the Company will be required to adopt IFRS 16 "Leases" to replace the existing guidance of IAS 17 "Leases". The standard establishes principles and disclosures related to the amount, timing and uncertainty of cash flows arising from a lease. The Company does not expect any material impact from the adoption of this standard.

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3. DEFERRED SHARE ISSUANCE COSTS

Deferred share issuance costs consist of professional and agency fees incurred in relation to the IPO as further described in Note 8. They will be charged against share capital upon the issuance of the shares or expensed in earnings if the share offering is not completed.

4. SHARE CAPITAL AND STOCK OPTIONS

Common shares

The Company is authorized to issue an unlimited number of common shares.

During 2017, the Company issued 2,013,329 common shares to Directors and Officers of the Company at a price of \$0.05 per share for total consideration of \$100,666.

Upon closing of the IPO as further disclosed in Note 8, the 2,013,329 issued common shares will be subject to a CPC escrow agreement pursuant to the requirements of the Exchange. Under the escrow agreement, 10% of the escrowed shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months 24 months, 30 months and 36 months following the Initial Release.

The escrow agreement provides that holders of escrowed common shares shall not sell, transfer, assign, mortgage, enter into a derivative transaction concerning or otherwise deal in any way with their escrowed shares.

Stock options

On January 25, 2018, the Company adopted a stock option plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and employees of and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant. However, for so long as the Company is a CPC under the policies of the Exchange, the aggregate number of common shares issuable upon exercise of all options granted under the stock option plan shall not exceed 10% of the common shares of the Company issued and outstanding at the closing of the Company's initial public offering. Options granted under the option plan may be exercisable for periods of up to 10 years from the date of grant. For so long as the Company is a CPC, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% and to all technical consultants will not exceed 2% of the common shares of the Company issued and outstanding at the closing of the Company's initial public offering. Options granted to the directors and officers of the Company while it is a CPC may be exercised during the greater of 12 months after the completion of the qualifying transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement is by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any common shares acquired pursuant to the exercise of options prior to the completion of the qualifying transaction must be deposited in escrow and will be subject to the requirements of the Exchange under a CPC escrow agreement, as described previously.

On June 20, 2018, the Company granted options to its directors and officers entitling the purchase of 199,998 common shares at a per share price of \$0.10 per common share. The options are for a five year term, expiring on June 20, 2023, and vested immediately on the date of grant.

Options granted were allocated an estimated fair value using the Black-Scholes option pricing model to estimate the fair value with the following weighted average assumptions:

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Expected forfeiture rate	0%
Risk-free interest rate	2.03%
Expected dividend yield	0%
Expected stock price volatility	100%
Expected option life	5 years
Fair value of options granted	\$0.075

During the nine months ended September 30, 2018, the Company recognized \$14,995 of stock-based compensation expense that was recorded as contributed surplus.

Loss per share

Upon the Company completing its planned IPO, common shares previously issued will be subject to an escrow agreement and may be cancelled in the event that the Company is unable to complete a qualifying transaction within the required time limits. Accordingly, these shares are accounted for as contingently returnable shares and excluded from the calculation of loss per share.

5. CAPITAL DISCLOSURES

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period end.

6. FINANCIAL INSTRUMENTS

The Company, as part of its operations, carries financial instruments consisting of cash and cash equivalents and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

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 Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company'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.

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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 fair value of cash and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises principally from the Company's cash and cash equivalents. The carrying amount of cash and cash equivalents represent the maximum credit exposure to the Company. The Company held cash and cash equivalents of \$15,754 at September 30, 2018 (December 31, 2017 - \$62,476). The Company manages credit exposure related to cash and cash equivalents by selecting financial institution counterparties with high credit ratings. The prepaid expense balance of \$5,000 existing as of December 31, 2017 consists entirely of advances made towards service providers, which balance was returned to the Company during the nine months ended September 30, 2018.

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 approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has accounts payable and accrued liabilities of \$4,666 as at September 30, 2018 (December 31, 2017 - \$8,000) that are considered payable within the next year.

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 Company does not have significant exposure to these risks.

7. RELATED PARTY TRANSACTIONS

There have been no transactions with related parties and no remuneration was paid to key management personnel during the nine months ended September 30, 2018 (December 31, 2017 - nil).

8. SUBSEQUENT EVENT

Initial public offering

Pursuant to a prospectus dated August 21, 2018 filed with the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario and the Exchange and an agency agreement (the "Agency Agreement") with Mackie Research Capital Corporation (the "Agent"), the Company completed its offering of 2,000,000 common shares at \$0.10 per common share for gross proceeds of \$200,000 and commenced trading on the Exchange on November 21, 2018, after filing for listing as a CPC. The net proceeds of the issue are estimated to be approximately \$133,605, net of a 10% cash commission and corporate finance fee payable to the Agent as well as other expenses incurred by the Agent estimated at \$15,895. Some of these expenses are included in offering costs that were already incurred (Note 3).

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Under the Agency Agreement, the Agent will be granted an option (the "Agent's Option") to acquire an additional number of common shares up to 10% of the number of common shares sold at a price of \$0.10 per share, exercisable for a period of 2 years from the date the common shares were listed for trading on the Exchange.

As a result of the closing of the IPO, the Company has 4,013,329 common shares issued and outstanding (2,013,329 of which are subject to escrow restrictions), 200,000 common shares reserved for issuance upon the exercise of the Agent's Options, and 199,998 common shares reserved for issuance upon the exercise of outstanding stock options.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or business for future investment, with the exception that the lesser of 30% of the gross proceeds (being \$90,200) and \$210,000 may be used to cover prescribed costs of issuing the common shares and general and administrative expenses of the Company. These restrictions apply until the completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange.