

REBEL CAPITAL 2.0 CORP.

FINANCIAL STATEMENTS

**For the year ended December 31, 2018
and for the period from the date of incorporation
(October 19, 2017) to December 31, 2017**

MANAGEMENT'S REPORT

The accompanying financial statements and related financial information are the responsibility of management, and have been prepared in accordance with International Financial Reporting Standards. They include certain amounts that are based on estimates and judgments relating to matters not concluded by year-end. Financial information presented elsewhere in this document is consistent with that contained in the financial statements.

In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies adopted by management. If alternate accounting methods exist, management has chosen those policies it deems the most appropriate in the circumstances. Management has established systems of accounting and internal control that provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and produce reliable accounting records for the preparation of financial information. Policies and procedures are maintained to support the accounting and internal control systems.

The independent external auditors, MNP LLP, have conducted an examination of the financial statements on behalf of shareholders. The auditors have unrestricted access to the Corporation and the Audit Committee.

The Board of Directors, currently composed of three directors, carries out its responsibility for the financial statements principally through its Audit Committee, consisting of two members. This Committee reviews the financial statements with management and the auditors, as well as recommends to the Board of Directors the external auditors to be appointed by the shareholders at each annual meeting. The Audit Committee meets at least quarterly to review and approve interim financial statements prior to their release and recommend their approval to the Board of Directors.

The Board of Directors on the recommendation of the Audit Committee has approved the financial statements and information as presented.

(signed)

Mihalis Belantis
Chief Executive Officer

April 30, 2019
Calgary, Canada

(signed)

Chris Reid
Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Rebel Capital 2.0 Corp:

Opinion

We have audited the financial statements of Rebel Capital 2.0 Corp (the "Company"), which comprise the statements of financial position as at December 31, 2018 and December 31, 2017, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2018 and for the period from October 19, 2017 (date of incorporation) to December 31, 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and December 31, 2017, and its financial performance and its cash flows for the year ended December 31, 2018 and for the period from October 19, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Marufur Raza.

Toronto, Ontario
April 30, 2019

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

MNP

REBEL CAPITAL 2.0 CORP.
STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

December 31, 2018

December 31, 2017

Assets

Current assets

Cash	148,382	62,476
Prepaid expense	-	5,000

	148,382	67,476
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Deferred share issuance costs (Note 5)	-	15,186
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	148,382	82,662
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Liabilities

Current liabilities

Accounts payable and accruals	21,930	8,000
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Shareholders' equity

Share capital (Note 6)	240,330	100,666
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Contributed surplus (Note 6 & 7)	25,625	-
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Deficit	(139,503)	(26,004)
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	126,452	74,662
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	148,382	82,662
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See accompanying notes to the financial statements.

Approved by the Board of Directors:

(signed) "Mihalis Belantis"

Director

(signed) "Chris Reid"

Director

REBEL CAPITAL 2.0 CORP.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the period from incorporation on October 19, 2017 to December 31, 2017
and for the year ended December 31, 2018

<i>(Expressed in Canadian Dollars)</i>	2018	2017
Expenses:		
Legal and professional fees	98,410	25,852
Stock-based compensation expense	14,995	-
Finance costs	94	152
Loss and comprehensive loss for the period/year	(113,499)	(26,004)
Loss per share – basic and diluted	(0.52)	-
Weighted average number of common shares outstanding	219,178	-

See accompanying notes to the financial statements.

REBEL CAPITAL 2.0 CORP.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from incorporation on October 19, 2017 to December 31, 2017
and for the year ended December 31, 2018

(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Contributed surplus	Deficit	Total
Balance at incorporation on October 19, 2017	-	-	-	-	-
Share issuance, private placement	2,013,329	100,666	-	-	100,666
Loss	-	-	-	(26,004)	(26,004)
Balance at December 31, 2017	2,013,329	100,666	-	(26,004)	74,662
Initial public offering	2,000,000	200,000	-	-	200,000
Share issue costs on initial public offering	-	(60,336)	10,630	-	(49,706)
Stock-based compensation	-	-	14,995	-	14,995
Loss	-	-	-	(113,499)	(113,499)
Balance at December 31, 2018	4,013,329	240,330	25,625	(139,503)	126,452

See accompanying notes to the financial statements.

REBEL CAPITAL 2.0 CORP.

STATEMENTS OF CASH FLOWS

For the period from incorporation on October 19, 2017 to December 31, 2017
and for the year ended December 31, 2018

<i>(Expressed in Canadian Dollars)</i>	2018	2017
Cash flows related to the following activities:		
Operating activities		
Loss for the period/year	(113,499)	(26,004)
Adjustments for:		
Stock-based compensation	14,995	-
Change in non-cash working capital	18,930	3,000
	<u>(79,574)</u>	<u>(23,004)</u>
Financing activities		
Issuance of common shares	200,000	100,666
Share issue costs	(34,520)	-
Deferred share issuance costs paid	-	(15,186)
	<u>165,480</u>	<u>85,480</u>
Net change in cash	85,906	62,476
Cash, beginning of period/year	62,476	-
Cash, end of period/year	<u>148,382</u>	<u>62,476</u>

See accompanying notes to the financial statements.

REBEL CAPITAL 2.0 CORP.
Notes to the Financial Statements
For the year ended December 31, 2018, and for the period from
the date of incorporation (October 19, 2017) to December 31, 2017

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" or "TSXV") 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 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial statements were authorized for issue by the Board of Directors on April 30, 2019.

Basis of measurement

These financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention.

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.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

REBEL CAPITAL 2.0 CORP.
Notes to the Financial Statements
For the year ended December 31, 2018, and for the period from
the date of incorporation (October 19, 2017) to December 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Non-derivative financial instruments

Non-derivative financial instruments are comprised of cash, accounts payable and accruals. Non-derivative financial instruments are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortized cost using the effective interest method.

Cash consists of cash on hand, deposits and term deposits held with banks or other financial institutions with an original maturity of three months or less.

Share capital

Proceeds from the issuance of common shares are classified as equity. Costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Share based payments

The Company follows the fair-value method for valuing stock options and other dilutive instruments granted to employees and directors. Under this method, the compensation cost is measured at the grant date using the Black-Scholes option pricing model and expensed over the vesting period of the instrument granted as stock-based compensation expense with a corresponding increase to contributed surplus. The contributed surplus balance is reduced as stock options and other dilutive instruments are exercised with the amount previously recognized plus any consideration received credited to share capital. The Company has included an estimated forfeiture rate for stock options that will not vest, which is adjusted to reflect actual forfeitures upon final vesting of the award.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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 reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

REBEL CAPITAL 2.0 CORP.
Notes to the Financial Statements
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Impairment of financial assets

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset. If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

Earnings per share ("EPS")

Basic EPS is calculated by dividing profit or loss attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of units) is calculated by adjusting the shares in issue at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS. All options are considered anti-dilutive when the Company is in a loss position.

4. 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.

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 accounts payable and accruals 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.

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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.

5. DEFERRED SHARE ISSUANCE COSTS

Deferred share issuance costs consist of professional and agency fees incurred in relation to the IPO. They will be charged against share capital upon the issuance of the shares or expensed in earnings if the share offering is not completed. In 2018, the balance was charged against share capital upon the completion of the IPO (Note 6).

6. SHARE CAPITAL

Common shares

The Company has authorized an unlimited number of common shares to be issued.

	Common shares	Amount
At incorporation	-	\$ -
Shares issuance, private placement	2,013,329	100,666
Balance, December 31, 2017	2,013,329	100,666
Initial public offering	2,000,000	200,000
Share issue costs	-	(60,336)
Balance, December 31, 2018	4,013,329	\$ 240,330

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.

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 the IPO of 2,000,000 common shares at \$0.10 per common share for gross proceeds of \$200,000 in November 2018.

Under the Agency Agreement, the Agent was granted options (the "Agent's Options") 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 first listed for trading on the Exchange (Note 7). The value of the warrants is included in the other transaction costs noted above.

REBEL CAPITAL 2.0 CORP.
Notes to the Financial Statements
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Upon closing of the IPO, the 2,013,329 issued common shares will be subject to a CPC escrow agreement pursuant to the requirements of the Exchange (the “Escrowed Shares”). 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.

Loss per share

The basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. With the completion of the IPO, Escrowed Shares will be subject to the Escrow Agreement and may be cancelled in the event that the Corporation 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 basic and diluted loss per share. For the period ended December 31, 2017, there were no weighted average common shares as they were all contingently returnable shares. For the year ended December 31, 2018, the weighted average number of common shares outstanding for purposes of calculating basic and diluted loss per share was 219,178 common shares. For purposes of the loss per share calculations for the periods ended December 31, 2018 and 2017, there is no difference between the basic loss per share and the diluted loss per share amounts as all instruments are anti-dilutive.

7. SHARE-BASED PAYMENTS

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.

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 year ended December 31, 2018, the Company recognized \$14,995 of stock-based compensation expense that was recorded as contributed surplus (2017 - \$nil).

Agent's Options

The fair value of the Agent's Options is estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

Expected forfeiture rate	0%
Risk-free interest rate	2.23%
Expected dividend yield	0%
Expected stock price volatility	100%
Expected option life	2 years
Fair value of Agent's Options granted	\$0.053

The share-based payment amount of \$10,630 for Agent's Options was included within share issue costs in association with the Offering finalized in November 2018 (Note 6), with the offset being included as contributed surplus.

8. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. A reconciliation of the expected income tax recovery to the actual income tax recovery for the year ended December 31, 2018 and for the period from incorporation on October 19, 2017 to December 31, 2017 is as follows:

	2018	2017
Net loss before income tax	\$ 113,499	\$ 26,004
Statutory tax rate	27%	26%
Expected income tax recovery at the statutory tax rate	30,645	6,761
Non-deductible expenses	(4,049)	-
Share issuance costs booked in equity	13,421	-
Future tax impact on current temporary differences	-	260
Deferred tax assets not recognized	(40,017)	(7,021)
Income tax recovery	\$ -	\$ -

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The following table summarizes the components of deferred tax:

	2018	2017
Deferred Tax Assets		
Non-capital losses carried forward	\$ -	\$ 160
Deferred Tax Liabilities		
Deferred financing fees	-	(160)
Net deferred tax liabilities	\$ -	\$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2018	2017
Non-capital losses carried forward	\$ 95,531	\$ 26,611
Share issuance costs - 20(i)(e)	\$ 78,682	\$ -

The Company's Canadian non-capital income tax losses of \$26,611 and \$68,920 expire in 2037 and 2038, respectively. Share issuance costs will be fully amortized in 2022.

9. 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.

Pursuant to TSXV Policy 2.4, Capital Pool Companies, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that certain expenditures, in the case of the Corporation, not to exceed \$90,000, may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation.

Certain expenditures as presented herein may fall outside of the scope of the allowable expenditures based on the facts and circumstances under which those expenditures were incurred. In 2018, an amount of approximately \$17,300 was paid in legal fees and TSXV filing fees associated with the preparation and filing of a waiver application required in conjunction with the completion of the IPO. Such waiver application is not customarily incurred as part of the CPC listing process. As well, approximately \$24,400 was incurred in 2017/2018 which related to fees paid to previous legal counsel for the CPC listing. However, due to unforeseen circumstances, former legal counsel was unable to complete the transaction and new legal counsel was engaged.

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The Company is not subject to any other externally or internally imposed capital requirements at year end, other than the expenditure limits set under TSXV Policy 2.4, Capital Pool Companies, stated above.

10. FINANCIAL INSTRUMENTS

The Company, as part of its operations, carries financial instruments consisting of cash, accounts payable and accruals. 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.

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, accounts payable and accruals 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. The carrying amount of cash represent the maximum credit exposure to the Company. The Company held cash of \$148,382 at December 31, 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 year ended December 31, 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 accruals of \$21,930 as at December 31, 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.

REBEL CAPITAL 2.0 CORP.
Notes to the Financial Statements
For the year ended December 31, 2018, and for the period from
the date of incorporation (October 19, 2017) to December 31, 2017

11. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Key management personnel include the Corporation's executive officers and directors.

During the year ended December 31, 2018, 199,998 stock options were granted to directors and officers with a fair value of \$14,995 recorded as share-based compensation (2017 - \$nil). Other than the aforementioned, there was no other compensation paid to key management during the periods ended December 31, 2018 and 2017.

There have been no transactions with related parties during the periods ended December 31, 2018 and 2017.