

Condensed Interim Financial
Statements of:

ITOK Capital Corp.

For the three and nine months ended
September 30, 2020 and 2019

(Unaudited)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. The Corporation's independent auditor has not performed a review of these interim financial statements.

ITOK Capital Corp.
Condensed Interim Financial Statements
September 30, 2020 and 2019

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ITOK Capital Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	September 30, 2020 (unaudited)	December 31, 2019 (audited)
ASSETS			
Current assets			
Cash		\$ -	\$ 2,315
Total assets		\$ -	\$ 2,315
LIABILITIES			
Current liabilities			
Trade and other payables		\$ 399,323	\$ 354,387
Loan payable	7	90,000	90,000
		489,323	444,387
SHAREHOLDERS' EQUITY			
Capital stock	8	292,991	292,991
Other capital reserves		65,074	65,074
Retained deficit		(847,388)	(800,137)
		(489,323)	(442,072)
Total liabilities and equity		\$ -	\$ 2,315

Approved on behalf of the Board:
Mo Fazil, Director

Gord Anderson, Director

See accompanying notes to condensed interim financial statements.

ITOK Capital Corp.

Condensed Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

		For the three months ended September 30,		For the nine months ended September 30,	
	Note	2020	2019	2020	2019
EXPENSES					
General & administrative expenses		\$ 743	\$ -	\$ 4,739	\$ 17,075
Professional fees		1,545	3,461	34,351	-
Interest expense	7	2,700	2,700	8,161	8,100
NET LOSS & COMPREHENSIVE LOSS		\$ (4,988)	\$ (6,161)	\$ (47,251)	\$ (25,175)
Loss per share					
Basic and diluted	9	\$ (0.00)	\$ (0.01)	\$ (0.05)	\$ (0.03)
Weighted average number of shares outstanding					
Basic and diluted	9	1,000,000	1,000,000	1,000,000	1,000,000

ITOK Capital Corp.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of Shares	Share Capital	Capital Reserves	Total Deficit	Shareholders' Equity
Balance, December 31, 2018	1,333,332	\$ 292,991	\$ 65,074	\$ (702,733)	\$ (344,668)
Net loss for the period	-	-	-	(25,175)	(25,175)
Balance, September 30, 2019	1,333,332	\$ 292,991	\$ 65,074	\$ (727,908)	\$ (369,843)
Balance, December 31, 2019	1,333,332	\$ 292,991	\$ 65,074	\$ (800,137)	\$ (442,072)
Net loss for the period	-	-	-	(47,251)	(47,251)
Balance, September 30, 2020	1,333,332	\$ 292,991	\$ 65,074	\$ (847,388)	\$ (489,323)

See accompanying notes to condensed interim financial statements

ITOK Capital Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

For the nine months ended September 30,	2020	2019
OPERATING ACTIVITIES		
Net loss	\$ (47,251)	\$ (25,175)
Changes in non-cash working capital:		
Increase (decrease) in trade and other payables	44,936	25,175
Cash flows relating to operating activities	(2,315)	-
NET INCREASE (DECREASE) IN CASH	(2,315)	-
Cash, beginning	2,315	-
Cash, ending	\$ -	\$ -

See accompanying notes to condensed interim financial statements.

ITOK Capital Corp.

Notes to Condensed Interim Financial Statements

For the three and nine months ended September 30, 2020 and 2019

1. NATURE OF BUSINESS

ITOK Capital Corp. (the "Corporation") was incorporated under the Business Corporations Act of Ontario on January 21, 2005 and its shares have been listed for trading on the TSX Venture Exchange (the "Exchange") on May 2, 2008. The Corporation is a Capital Pool Corporation as defined in Exchange Policy 2.4. The principal business of the Corporation is the identification and evaluation of assets or businesses, and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder and regulatory approval.

The Corporation's principal address and registered office is 730 Davis Drive, Newmarket, Ontario, L3Y 2R4.

The Corporation's ability to continue as a going concern is dependent upon the Corporation's ability to identify, evaluate and complete a Qualifying Transaction (as such term is defined in Exchange Policy 2.4). Until completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. With the consent of the Exchange, the Corporation may raise additional funds. These Condensed Interim Financial Statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Corporation be unable to identify or complete a suitable Qualifying Transaction within the permitted time prescribed by Exchange Policy 2.4.

2. GOING CONCERN

These Condensed Interim Financial Statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these Condensed Interim Financial Statements, adjustments would be necessary to the statement of financial position classifications used. Such adjustments could be material. The proposed business of the Company, and the completion of a Qualifying Transaction, involves a high degree of risk. There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to complete these plans to obtain additional financing and be unable to continue as a going concern, the Company may be forced to cease operations.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time

ITOK Capital Corp.

Notes to Condensed Interim Financial Statements

For the three and nine months ended September 30, 2020 and 2019

3. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Condensed Interim Financial Statements were authorized for issue by the director of the Corporation on November 30, 2020.

Basis of Presentation

The condensed interim financial statements of the Corporation have been prepared on a historical cost basis and are presented in Canadian dollars which is the functional currency of the Company, except where otherwise indicated. All amounts are rounded to the nearest dollar. The condensed interim financial statements of the Company have been prepared on an accrual basis, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Corporation applies the same accounting policies and methods of computation in its condensed interim financial statements as in its December 31, 2019 audited amended and restated financial statements. None of the new standards, interpretations and amendments, effective for the first time from January 1, 2020, have had a material effect on the financial statements.

(i) Recently adopted accounting standards

At the date of the approval of the financial statements, a number of standards and interpretations were in issue but not yet effective. The Corporation considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Corporation's financial statements.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the audited amended and restated financial statements for the year ended December 31, 2019.

ITOK Capital Corp.

Notes to Condensed Interim Financial Statements

For the three and nine months ended September 30, 2020 and 2019

6. BASIS OF FAIR VALUE

The Corporation's financial instruments consist of cash, trade and other payables and loans payable. The fair value of the Corporation's trade and other payables and loans payable approximate the carrying value, which is the amount on the Condensed Interim Statements of financial position due to their short-term maturities or ability of prompt liquidation.

The Corporation's cash is measured at fair value under the fair market hierarchy, based on level one quoted prices in active markets for identical assets.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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 marker data (unobservable inputs).

6. LOAN PAYABLE

On March 23, 2015, the Corporation issued \$90,000 convertible debentures, bearing simple interest rate of 12% per annum with maturity date on December 31, 2017 and is due on demand. The holder at any time may convert all or any part of the outstanding principal and accrued interest into units at a conversion price of \$0.05 per unit. Upon issuance, a debt discount of \$10,871 was recorded to equity and was accreted over the life of the debenture, as of December 31, 2017, the debt discount was fully accreted.

As at September 30, 2020 and December 31, 2019, the carrying value of the convertible debenture was \$90,000 and had accrued interest payable totaling \$59,632 and \$51,532, respectively.

As at September 30, 2020, the convertible debenture was not in good standing, as it was not repaid on its maturity date of December 31, 2017. The convertible debenture carries no recourse and the convertible features and interest rates remain the intact. No additional penalties are associated with any potential late repayment of the convertible debenture. As at September 31, 2020, the Company has still not cured the default.

7. SHARE CAPITAL

Authorized share capital consists of the following:

- an unlimited number of common shares without par value; and
- an unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value, redeemable at the option of the Corporation or the holder.

To date, no preferred shares have been issued.

ITOK Capital Corp.

Notes to Condensed Interim Financial Statements

For the three and nine months ended September 30, 2020 and 2019

7. SHARE CAPITAL (Continued)

(a) Shares issued

During the three months ended September 30, 2020 and year ended December 31, 2019 the Corporation did not issue any shares of its common stock.

(b) Shared-based payments

The Corporation has a stock option plan administered by the Board of Directors. The Board may from time to time and at its discretion, and in accordance with the Exchange's requirements, grant to directors, officers, employees and technical consultants to the Corporation, non-transferable options to purchase common shares. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares.

Options will be exercisable for a period of up to five (5) years from the date of the grant. The number of common shares reserved for issuance to any individual director, officer or employee will not exceed 5% of the issued and outstanding common shares. The number of common shares reserved for issuance to consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than ninety (90) days following cessation of the optionee's position with the Corporation, excepting that if the cessation of the office, directorship, employment or technical consulting arrangements was by reason of death, in which case the option may be exercised within a maximum period of one (1) year after death, subject to option expiry. Any common shares acquired pursuant to the exercise of options prior to completion of the Qualifying Transaction will be subject to escrow restrictions. As at September 30, 2020, there were no options issued or outstanding.

8. LOSS PER SHARE

Basic earnings per share amounts are calculated by dividing net earnings for the period attributable to ordinary equity holders of the parent by the weighted average number of common shares outstanding during the period.

The following reflects the earnings and unit data used in the basic and diluted earnings per share computations:

For the nine months ended September 30,	2020	2019
Weighted average number of shares – basic:		
Issued common shares as at January 1,	1,333,332	1,333,332
Effect of common shares issued during the period	-	-
Effect of escrowed shares	(333,332)	(333,332)
	1,000,000	1,000,000

The Corporation has excluded common share purchase warrants and potential common share equivalents, comprised of incremental shares from stock options calculated using the treasury method from the earnings (loss) per share calculation, as they were anti-dilutive.

ITOK Capital Corp.

Notes to Condensed Interim Financial Statements

For the three and nine months ended September 30, 2020 and 2019

9. CAPITAL MANAGEMENT

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern to identify, evaluate and complete a Qualifying Transaction and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk by monitoring its net debt position. In the management of capital, the Company considers capital to be the components of shareholders' equity and its loan payable.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Corporation may issue new debt or equity. The Corporation is highly dependent on capital markets as its source of operating capital.

The Corporation is not subject to any externally imposed capital requirements. There has been no change in the Corporation's approach to capital management during the nine months ended September 30, 2020.

10. FINANCIAL RISK MANAGEMENT

The Corporation is exposed to varying degrees to a variety of financial instrument related risks:

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's cash is exposed to credit risk. The Corporation reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at September 30, 2020, the Corporation is not exposed to any significant credit risk.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the Condensed Interim Financial Statements is interest expense on its loan payable. The Corporation has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at September 30, 2020, the Corporation is not exposed to any significant interest rate risk.

(c) Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Corporation addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Corporation has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

ITOK Capital Corp.

Notes to Condensed Interim Financial Statements

For the three and nine months ended September 30, 2020 and 2019

10. FINANCIAL RISK MANAGEMENT *(Continued)*

As at September 30, 2020, the Corporation had no cash (December 31, 2019- \$2,315) to settle current liabilities of \$488,444 (December 31, 2019 -\$444,387). All of the Company's current liabilities are due on demand. The Corporation will require additional financings to meet its short-term financial obligations.

(d) Other Risks

Based on management's knowledge and experience of the financial markets, management does not believe that the Corporation's financial instruments will be affected by foreign exchange risk, price risk or other risk.