



PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – prepared by management)

**FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2018 AND 2017**

Notice of Non-review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The attached unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2018 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2018 and September 30, 2017
Expressed in Canadian dollars

	Note	June 30, 2018	September 30, 2017
ASSETS			
Current			
Cash and cash equivalents		\$ 576,329	\$ 1,977,491
Receivables		62,224	57,513
Prepaid expenses and deposits		262,804	22,568
		901,357	2,057,572
Software and platform development	3, 4	1,988,186	1,411,437
Equipment	5	18,829	4,032
Goodwill	3, 6	6,546,274	6,351,298
		\$ 9,454,646	\$ 9,824,339
SHAREHOLDERS' EQUITY AND LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 879,853	\$ 341,529
Deferred revenue		40,368	-
Short-term loans payable	7, 9	-	52,326
		920,221	393,855
Deferred tax liability		40,000	55,000
		960,221	448,855
Share capital	8	23,390,968	20,593,356
Reserves	8	414,520	322,465
Deficit		(15,311,551)	(11,540,337)
Other comprehensive income		488	-
Shareholders' equity		8,494,425	9,375,484
		\$ 9,454,646	\$ 9,824,339

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 16)

Approved on behalf of the Board of Directors

"Pascale Audette"

James Mutter, Director

"Alan Schuler"

Alan Schuler, Director

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

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended June 30, 2018 and 2017
Expressed in Canadian dollars

	Note	Three Months Ended		Nine Months Ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
REVENUES	9	\$ 74,364	\$ -	\$ 74,364	\$ -
EXPENSES					
Amortization of software and platform development costs	4	41,906	284,101	208,045	322,901
Amortization of equipment	5	1,734	-	5,653	-
Filing and other fees		22,876	46,110	49,396	78,506
General and administrative		437,302	68,728	1,246,307	93,710
Investor relations		286,796	47,334	427,128	210,986
Management and consulting fees		231,458	6,491	638,546	44,491
Professional fees		92,073	151,019	210,211	187,041
Software and platform development		234,497	155,183	647,923	357,550
		(1,348,642)	(758,966)	(3,433,209)	(1,295,185)
OTHER ITEMS					
Financing income, net	11	172	-	4,482	-
Foreign exchange loss		(1,287)	-	(1,447)	-
Gain on write-off of debts		-	-	1,500	-
Impairment of goodwill	6	(5,000)	(5,000)	(15,000)	(15,000)
Share-based payments	8	(217,017)	-	(452,152)	-
Loss before taxes		(1,571,774)	(763,966)	(3,895,826)	(1,310,185)
Deferred income tax recovery		5,000	57,694	15,000	67,694
		(1,566,774)	(706,272)	(3,880,826)	(1,242,491)
Net loss		(1,492,410)	(706,272)	(3,806,462)	(1,242,491)
Other comprehensive income					
Foreign currency translation adjustment		488	-	488	-
Loss and comprehensive loss for the period		\$ (1,491,922)	\$ (706,272)	\$ (3,805,974)	\$ (1,242,491)
Loss and comprehensive loss for the period attributed to:					
Owners of the Company		\$ (1,491,922)	\$ (706,272)	\$ (3,805,974)	\$ (1,139,003)
Non-controlling interest		-	-	-	(103,488)
		\$ (1,491,922)	\$ (706,272)	\$ (3,805,974)	\$ (1,242,491)
Loss per share					
- basic		\$ (0.05)	\$ (0.01)	\$ (0.15)	\$ (0.04)
- diluted		\$ (0.05)	\$ (0.01)	\$ (0.15)	\$ (0.03)
Weighted average number of shares outstanding					
- basic		27,762,568	12,010,974	25,202,123	8,869,857
- diluted		27,762,568	12,135,974	25,312,123	8,994,857

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

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

Condensed Interim Consolidated Statements of Cash Flows

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian dollars

	Three Months Ended		Nine Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operating activities				
Loss for the period	\$(1,491,922)	\$ (706,272)	\$ (3,805,974)	\$ (1,242,491)
Items not involving cash:				
Amortization of software and platform development costs	41,906	284,101	208,045	322,901
Amortization of equipment	1,734	-	5,653	-
Impairment of goodwill	5,000	5,000	15,000	15,000
Deferred income tax recovery	(5,000)	(57,694)	(15,000)	(67,694)
Gain on settlement of debt	-	-	(1,500)	-
Share-based payments	217,017	-	452,152	-
	(1,231,265)	(474,865)	(3,141,624)	(972,284)
Net changes in non-cash working capital items				
Receivables	(27,928)	(1,136)	21,710	(14,890)
Prepaid expenses and deposits	(192,660)	62,085	(240,236)	7,287
Accounts payable and accrued liabilities	97,784	(95,596)	499,010	(104,331)
Deferred revenue	40,368	-	40,368	-
Net cash used in operating activities	(1,313,701)	(509,512)	(2,820,772)	(1,084,218)
Financing activities				
Proceeds received from private placements	2,438,365	2,050,000	2,438,365	2,800,000
Share issuance costs	(189,552)	(47,700)	(200,624)	(57,057)
Exercise of options	-	-	38,221	-
Purchase of Rosterbot shares and return to treasury	-	-	-	(66,000)
Loans received	-	7,637	-	227,137
Loans repaid	-	(77,901)	(52,326)	(401,951)
Net cash provided by financing activities	2,248,813	1,932,036	2,223,636	2,502,129
Investing activities				
Software and platform development costs	(477,738)	-	(784,794)	-
Purchases of property and equipment	(285)	-	(20,450)	-
Advances to ProSmart Sports Development Inc.	-	(530,000)	-	(530,000)
Net cash from acquisition of subsidiary	1,218	3,609	1,218	3,609
Net cash used in investing activities	(476,805)	(526,391)	(804,026)	(526,391)
Net increase (decrease) in cash	458,307	896,133	(1,401,162)	891,520
Cash, beginning of period	118,022	874	1,977,491	5,487
Cash, end of period	\$ 576,329	\$ 897,007	\$ 576,329	\$ 897,007
SUPPLEMENTAL DISCLOSURE				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 13)

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

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended June 30, 2018 and 2017
Expressed in Canadian dollars

	Note	Number of Shares	Share Capital	Reserves	Deficit	Other Comprehensive Income (Loss)	Total	Non-Controlling Interest	Total
Balance as at September 30, 2016		5,813,674	\$ 7,602,758	\$ 200,179	\$ (8,318,532)	\$ -	\$ (515,595)	\$ (178,305)	\$ (693,900)
Shares issued for private placement		4,437,501	2,800,000	-	-	-	2,800,000	-	2,800,000
Share issuance costs, cash		-	(57,057)	-	-	-	(57,057)	-	(57,057)
Share issuance costs, warrants		-	(16,648)	16,648	-	-	-	-	-
Shares purchased and returned to treasury, Rosterbot		-	-	-	-	-	-	(66,000)	(66,000)
Shares issued on acquisition of Rosterbot		1,421,981	910,068	-	(1,257,861)	-	(347,793)	347,793	-
Shares issued on acquisition of PSD		8,975,519	6,821,386	-	-	-	6,821,386	-	6,821,386
Shares issued on conversion of debt		552,033	386,423	-	-	-	386,423	-	386,423
Loss and comprehensive loss for the period		-	-	-	(1,139,003)	-	(1,139,003)	(103,488)	(1,242,491)
Balance as at June 30, 2017		21,200,708	\$ 18,446,930	\$ 216,827	\$ (10,715,396)	\$ -	\$ 7,948,361	\$ -	\$ 7,948,361
Shares issued for private placement		2,645,206	2,116,164	-	-	-	2,116,164	-	2,116,164
Share issuance costs, cash		-	(8,566)	-	-	-	(8,566)	-	(8,566)
Share issuance costs, warrants		-	(10,821)	10,821	-	-	-	-	-
Share-based payments		-	-	342,774	-	-	342,774	-	342,774
Shares issued for options exercise		37,500	34,770	(16,770)	-	-	18,000	-	18,000
Expiry of stock options		-	-	(216,308)	216,308	-	-	-	-
Expiry of warrants		-	14,879	(14,879)	-	-	-	-	-
Loss and comprehensive loss for the period		-	-	-	(1,041,249)	-	(1,041,249)	-	(1,041,249)
Balance as at September 30, 2017		23,883,414	\$ 20,593,356	\$ 322,465	\$ (11,540,337)	\$ -	\$ 9,375,484	\$ -	\$ 9,375,484
Shares issued for private placement	8(b)	6,966,755	2,438,365	-	-	-	2,438,365	-	2,438,365
Share issuance costs, cash		-	(200,624)	-	-	-	(200,624)	-	(200,624)
Share issuance costs, warrants		-	(47,277)	47,277	-	-	-	-	-
Shares issued on acquisition of DLH	3, 8(b)	170,620	107,644	-	-	-	107,644	-	107,644
Shares issued on conversion of debt	8(b)	184,885	89,157	-	-	-	89,157	-	89,157
Share-based payments	8(c,e)	-	-	452,152	-	-	452,152	-	452,152
Shares issued for options exercise	8(b)	79,625	73,828	(35,608)	-	-	38,220	-	38,220
Shares issued for RSU exercise	8(d)	437,500	309,050	(309,050)	-	-	-	-	-
Expiry of stock options	8(c)	-	-	(35,248)	35,248	-	-	-	-
Expiry of warrants	8(e)	-	27,469	(27,469)	-	-	-	-	-
Foreign currency translation adjustment		-	-	-	-	488	488	-	488
Net loss for the period		-	-	-	(3,806,462)	-	(3,806,462)	-	(3,806,462)
Balance as at June 30, 2018		31,722,799	\$ 23,390,968	\$ 414,520	\$ (15,311,551)	\$ 488	\$ 8,494,425	\$ -	\$ 8,494,426

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

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

ProSmart Enterprises Inc. (formerly Sora Capital Corp) (the "Company") was incorporated under the laws of the State of Nevada on October 29, 1999. On January 27, 2009, the Company was continued from the State of Nevada to the Province of British Columbia under the Business Corporation Act. On July 12, 2017, the Company changed its name from Sora Capital Corp. to ProSmart Enterprises Inc.

The Company's head office, principal address and registered and records office is #302 - 1353 Ellis Street Kelowna, BC V1Y 1Z9. Its principal business activity is the business of investing in technology companies, which involves a high degree of risk and there can be no assurance that current investment programs will result in profitable operations.

On March 6, 2018, the Company consolidated its issued and outstanding shares totalling 95,802,087 pre-consolidation common shares to 23,950,539 post-consolidation common shares. The exercise price and number of shares issuable by way of options, warrants and RSU's of the Company will be proportionately adjusted to account for the share consolidation. All shares and per share amounts have been restated to reflect the share consolidation retrospectively.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

The Company prepares its unaudited condensed interim consolidated financial statements (the "financial statements") in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Chartered Professional Accountants of Canada Handbook - Accounting - Part 1 ("CPA Canada Handbook"), which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board and on a basis consistent with the accounting policies disclosed in the annual audited consolidated financial statements for the year ended September 30, 2017. They do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2017.

The condensed interim consolidated financial statements of the Company for the three and nine months ended June 30, 2018 were approved for issue by the Board of Directors on August 27, 2018.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

2. BASIS OF PREPARATION *(cont'd...)*

Basis of Presentation and Consolidation

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim consolidated financial statements include the financial statements of the Company, ProSmart Sports Development Inc. (“**PSD**”), RosterBot Inc. (“**RosterBot**”), and DL Hockey Consulting Limited (“**DL Hockey**”), the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition, of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date. Acquisition-related costs are recognized in profit and loss as incurred. The excess of the consideration over the fair value of the net identifiable assets and liabilities acquired is recorded as goodwill. Any gain on a bargain purchase is recorded in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment.

Use of Estimates and Judgments

The preparation of the June 30, 2018 condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates. Refer to Note 2 of the Company's consolidated financial statements for the year ended September 30, 2017 for more information on the use of estimates and judgements.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

Critical accounting estimates

- i. Stock-based compensation is subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.
- ii. The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

2. BASIS OF PREPARATION (cont'd...)

Critical accounting judgments

- i. The acquisition of PSD, RosterBot and DL Hockey required judgments and estimates to be made at the date of acquisition in relation to determining asset and liability fair values and the allocation of the purchase consideration over the fair value of the assets and liabilities. Management is required to make certain judgments regarding future events, future operating costs and capital expenditures. Changes to the provisional measurements of assets and liabilities acquired may be retrospectively adjusted when new information is obtained until the final measurements are determined within one year of the acquisition date.
- ii. The determination that the Company will continue as a going concern for the next year.
- iii. The application of the Company's accounting policy for software in development and web platform expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.
- iv. When testing for impairment, the Company considers software in development, the web platform, and goodwill to be one cash-generating unit in its estimate of carrying amount.

Significant Accounting Policies

Except as otherwise indicated hereunder, these condensed interim consolidated financial statements have been prepared using the same policies and methods as the consolidated financial statements of the Company for the year ended September 30, 2017. Refer to Note 3 of the Company's consolidated financial statements for the year ended September 30, 2017 for more information on new accounting standards and amendments not yet effective.

3. CONSOLIDATION OF SUBSIDIARIES

RosterBot Inc.

The Company concluded that it had control of RosterBot and consolidated the financial statements of RosterBot effective July 1, 2015. As a result, the Company recognized \$388,000 in software in development (Note 4) related to development of the RosterBot product and \$100,000 related to goodwill (Note 6). Goodwill was derived from the significant amount of users that actively use RosterBot's software and is included in the same cash-generating unit as the software development costs.

During the year ended September 30, 2017:

- RosterBot purchased 700,000 common shares from a shareholder and returned them to treasury. As a result, the Company owned 18,691,764 of 25,801,670 shares of RosterBot or 72.44%, and;
- The Company acquired the remaining 7,109,906 outstanding RosterBot common shares by issuing a total of 1,421,981 common shares of the Company valued at \$910,068. The Company recognized a loss of \$1,257,861 directly to reserves as a result of the transaction.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

3. CONSOLIDATION OF SUBSIDIARIES (cont'd...)

ProSmart Sports Development Inc.

On June 9, 2017, the Company purchased 100% of the issued and outstanding common shares of PSD through the execution of a share exchange agreement and issuance of 8,975,519 common shares of the Company at a fair value of \$0.76 per common share for an aggregate cost of \$6,821,386.

The total purchase price of \$6,821,386 was allocated to the fair value of the net assets of PSD as follows:

Net assets acquired:	Fair value
Cash	\$ 3,609
Receivables	38,227
Prepaid expenses	13,525
Web platform	1,335,950
Goodwill	6,296,298
Accounts payable and accrued liabilities	(191,797)
Other liabilities	(144,426)
Advances to PSD	(530,000)
Purchase price	\$ 6,821,386

Per management's assessment of the fair value of the assets transferred upon the acquisition of PSD, the Company recognized \$1,335,950 in web platform and \$6,296,298 of goodwill related to synergies and integration of the web platform and video content, as well as knowledge and expertise within the marketplace. This acquisition was accounted for as a business combination.

DL Hockey Consulting Limited

On May 31, 2018, the Company purchased 100% of the issued and outstanding common shares of DL Hockey through the execution of a share exchange agreement and issuance of 170,620 common shares of the Company at a fair value of \$0.631 per common share for an aggregate cost of \$107,644.

The total purchase price of \$107,644 was allocated to the fair value of the net assets of DL Hockey as follows:

Net assets acquired:	Fair value
Cash	\$ 1,218
Receivables	26,421
Goodwill	209,976
Accounts payable and accrued liabilities	(129,971)
Purchase price	\$ 107,644

Per management's assessment of the fair value of the assets transferred upon the acquisition of DL Hockey, the Company recognized \$209,976 of goodwill related to client lists and established relationships, as well as knowledge and expertise within the marketplace. This acquisition was accounted for as a business combination.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

4. SOFTWARE AND PLATFORM DEVELOPMENT

	Software in Development	Web Platform	Total
Cost			
Balance at September 30, 2016	\$ 388,000	\$ -	\$ 388,000
Acquired with acquisition of PSD (Note 3)	-	1,335,950	1,335,950
Recovery on acquired assets	-	(4,491)	(4,491)
Balance at September 30, 2017	388,000	1,331,459	1,719,459
Additions	784,794	-	784,794
Balance at June 30, 2018	\$ 1,172,794	\$ 1,331,459	\$ 2,504,253
Accumulated amortization			
Balance at September 30, 2016	\$ 97,000	\$ -	\$ 97,000
Amortization expense	77,600	133,422	211,022
Balance at September 30, 2017	174,600	133,422	308,022
Amortization expense	58,200	149,845	208,045
Balance at June 30, 2018	\$ 232,800	\$ 283,267	\$ 516,067
Carrying amount			
September 30, 2017	\$ 213,400	\$ 1,198,037	\$ 1,411,437
June 30, 2018	\$ 939,994	\$ 1,048,192	\$ 1,988,186

5. EQUIPMENT

	Computer Equipment	Furniture and Office Equipment	Total
Cost			
Balance at September 30, 2016	\$ -	\$ -	\$ -
Additions	4,837	627	5,464
Balance at September 30, 2017	4,837	627	5,464
Additions	18,667	1,783	20,450
Balance at June 30, 2018	\$ 23,504	\$ 2,410	\$ 25,914
Accumulated amortization			
Balance at September 30, 2016	\$ -	\$ -	\$ -
Amortization expense	1,360	72	1,432
Balance at September 30, 2017	1,360	72	1,432
Amortization expense	5,420	233	5,653
Balance at June 30, 2018	\$ 6,780	\$ 305	\$ 7,085
Carrying amount			
September 30, 2017	\$ 3,477	\$ 555	\$ 4,032
June 30, 2018	\$ 16,724	\$ 2,105	\$ 18,829

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

6. GOODWILL

	PSD	RosterBot	DL Hockey
Balance as at September 30, 2016	\$ -	\$ 75,000	\$ -
Impairment	-	(20,000)	-
Acquired through business combination (Note 3)	6,296,298	-	-
Balance as at September 30, 2017	6,296,298	55,000	-
Impairment	-	(15,000)	-
Acquired through business combination (Note 3)	-	-	209,976
Balance as at June 30, 2018	\$ 6,296,298	\$ 40,000	\$ 209,976

During the three and nine months ended June 30, 2018, the Company recognized an impairment to goodwill of \$5,000 and \$15,000 (2017 - \$5,000 and \$15,000). As a result of the amortization of software in development over its finite life, a deferred tax recovery was also recognized.

7. SHORT TERM LOANS PAYABLE

As at September 30, 2017, \$52,326 was owed to a third-party debt holder. The loan was unsecured and accrued interest at 12% per annum. During the period ended December 31, 2017, the loan and accrued interest was repaid.

During the year ended September 30, 2017, a company controlled by the former CEO and director of the Company loaned the Company \$161,183 (for a total of \$471,683), of which \$390,132 was repaid in cash and \$81,551 was converted to common shares of the Company at a price of \$0.175 per share. Another loan of \$65,000 was made to the Company from a former director of the Company, which was converted to common shares of the Company at a price of \$0.175 per share. As at September 30, 2017, these loans were fully retired. Additionally during the year, the outstanding third party loan of \$2,910 was fully retired.

Upon the acquisition of PSD, the Company assumed \$144,426 of short term loans, \$83,250 of which were owed to the COO of a subsidiary of the Company and a director of the Company. During the year ended September 30, 2017, \$10,700 of accrued interest was paid to an arms-length party, while \$4,896 of interest accrued on the loans. Additionally, \$33,763 and \$52,533 loan repayments were made to the COO of a subsidiary of the Company and a director of the Company respectively to fully retire the loans.

During the period ended March 31, 2017, a company controlled by the former CEO of the Company loaned the Company a total of \$219,500 (for a total of \$530,000), of which \$324,050 was repaid, with \$205,950 remaining outstanding at period end. A third party also loaned the Company a total of \$2,910, of which \$1,791 remained outstanding at March 31, 2017. The loans are unsecured, bear no interest, and are payable on demand.

8. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common and preferred shares without par value.

b) Issued share capital

On March 6, 2018, the Company announced a 4:1 share consolidation of its common shares, warrants, RSU's and outstanding options. All of the schedules within these condensed interim consolidated financial statements have been adjusted to show the adjustment retrospectively.

On April 20, 2018, the Company completed a non-brokered private placement for the sale of its common shares at \$0.35 per unit. Each unit consists of one common share and one transferable common share purchase warrant, with each warrant exercisable into one additional share at a price of \$0.45 for a period of two years. The Company closed the placement receiving \$1,381,204 of proceeds and issuing 3,946,298 units.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

8. SHARE CAPITAL AND RESERVES (cont'd...)

Also, on April 20, 2018, 84,885 common shares were issued for services as per a software development agreement. The common shares issued settled \$54,157 of services rendered at a fair value of \$0.638 per share.

On June 25, 2018, the Company completed a brokered private placement for the sale of its common shares at \$0.35 per unit. Each unit consists of one common share and one transferable common share purchase warrant, with each warrant exercisable into one additional share at a price of \$0.45 for a period of two years. The Company closed the placement receiving \$1,057,160 of gross proceeds and issuing 3,020,457 units. In connection with the financing, the Company paid an agents commissions of \$84,573 and issued 241,636 of broker warrants to the agent. Each broker warrant entitles the holder to purchase one broker unit at an exercise price of \$0.35 until June 25, 2020. Each broker unit is comprised on one common share and one non-transferable broker warrant. Each broker warrant is exercisable into an additional share at \$0.45 until June 25, 2020. In addition, the Company paid the agent a work fee of 100,000 common shares of the Company.

On May 31, 2018, the Company issued 170,620 common shares at a fair value of \$0.631 per common share on the acquisition of DLH (Note 3).

During the nine months ended June 30, 2018, the Company issued 79,625 common shares upon the exercise of options at \$0.48 per share for proceeds of \$38,220 and 437,500 common shares upon the exercise of restricted share units.

During the year ended September 30, 2017, the Company:

- Completed a non-brokered private placement whereby 1,875,001 common shares were issued at a price of \$0.40 per common share for gross proceeds of \$750,000. In connection with the offering, the Company paid a cash commission of \$9,357 and issued 23,437 finder's warrants. Each finder's warrant entitles the finder to acquire a common share of the Company at an exercise price of \$0.80 per share. The finder's warrants expire on November 23, 2017 and December 21, 2017 for 13,687 and 9,750 warrants respectively;
- Issued 1,421,981 common shares with a fair value of \$0.64 each in exchange for 7,109,906 common shares of its subsidiary, RosterBot (Note 3). The Company recognized a loss attributed directly to deficit of \$1,257,861 related to this transaction;
- Issued 8,975,519 at a fair value of \$0.76 per common share on the acquisition of PSD (Note 3);
- Issued 552,033 common shares at a fair value of \$0.70 on the conversion of \$386,423 of accounts payable, and;
- Completed a non-brokered private placement whereby 2,562,500 units were issued at a price of \$0.80 per unit for gross proceeds of \$2,050,000. Each unit consisted of one common share and common share purchase warrant. Each warrant is exercisable to acquire an additional one half of one common share at a price of \$1.60 per common share until May 3, 2019 (for 375,000 warrants) and June 6, 2019 (for 906,250 warrants). In connection with the offering, the Company paid a cash commission of \$47,700 and issued 63,375 finder's warrants. Each finder's warrant entitles the finder to acquire a share at an exercise price of \$1.60 per share. The finder's warrants expire on May 3, 2018 and June 6, 2018 for 10,875 and 52,500 warrants respectively.
- Completed a non-brokered private placement whereby 2,645,206 units were issued at a price of \$0.80 per unit for gross proceeds of \$2,116,164. Each unit consisted of one common share and common share purchase warrant. Each warrant is exercisable to acquire an additional one half of one common share at a price of \$1.60 per common share until September 21, 2019.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

8. SHARE CAPITAL AND RESERVES (cont'd...)

c) Stock options

On March 9, 2018, the Company adopted a rolling stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as defined in the policies of the Toronto Stock Exchange). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire 30 days after termination of employment or holding office as a director or officer of the Company and, in the case of death, expire six months thereafter.

Share purchase stock option transactions for the nine month period ended June 30, 2018 are summarized as follows:

	As at June 30, 2018		As at September 30, 2017	
	Number of Options	Weighted Ave. Exercise Price	Number of Options	Weighted Ave. Exercise Price
Outstanding, beginning of period	1,044,625	\$ 0.80	566,491	\$ 1.08
Granted	78,750	\$ 0.88	717,500	\$ 0.88
Exercised	(79,625)	\$ 0.48	(37,500)	\$ 0.48
Expired/Cancelled	(70,000)	\$ 0.64	(201,866)	\$ 1.92
Outstanding, end of period	<u>973,750</u>	<u>\$ 0.84</u>	<u>1,044,625</u>	<u>\$ 0.80</u>

As at June 30, 2018, the following stock options are outstanding and exercisable:

Number of options outstanding	Number of options exercisable	Exercise price	Remaining life (yrs)	Expiry
75,000	75,000	\$ 0.80	1.20	September 12, 2019
110,000	110,000	\$ 0.48	3.14	August 18, 2021
710,000	408,750	\$ 0.88	9.23	September 21, 2027
78,750	41,250	\$ 0.88	9.38	November 14, 2027
<u>973,750</u>	<u>635,000</u>		<u>7.94</u>	

During the three and nine months ended June 30, 2018, the Company recognized stock-based compensation of \$45,117 and \$238,839 (2017 - \$Nil and \$Nil) in relation to stock options.

The fair value of all compensatory options granted is estimated on grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

Grant Date	Options Granted	Exercise Price	Annual Volatility Rate	Risk Free Interest Rate	Fair Value at Grant Date	Expected Life	Dividend rate
Aug 18, 2016	425,000	\$ 0.48	162%	0.60%	\$ 0.44	5	0%
Sep 21, 2017	710,000	\$ 0.88	144%	2.12%	\$ 0.80	10	0%
Nov 14, 2017	315,000	\$ 0.88	140%	1.95%	\$ 0.72	10	0%

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

8. SHARE CAPITAL AND RESERVES (cont'd...)

d) Restricted share units ("RSU's")

The Company has a restricted share unit plan ("RSU Plan") which allows it to grant RSU's to officers, employees and consultants of the Company. The RSU Plan is administered by the Board of Directors, which sets the terms of incentive awards under the RSU Plan. The maximum number of common shares available for issue under the RSU Plan is 437,500. These grants vest in whole or in part upon the later of a predetermined trigger date or the completion of a performance condition as determined by the Board of Directors of the Company. Upon vesting, each RSU converts to one common share. RSU's which do not vest on or before a set expiry date will automatically be cancelled. The Company, in its sole discretion, may pay a cash amount equal to the equivalent market value of the shares on the vesting date.

On March 8, 2018 and March 14, 2018, the Company granted 125,000 and 150,000 RSU's respectively, vesting upon the completion of defined performance conditions being met. On April 20, 2018, 437,500 common shares were issued upon the exercise of RSU's.

During the three and nine months ended June 30, 2018, the Company recognized share-based payments of \$171,900 and \$213,313 (2017 - \$Nil and \$Nil) in relation to the RSU's granted.

e) Warrants

Share purchase warrants for the nine month period ended June 30, 2018 are summarized as follows:

	As at June 30, 2018		As at September 30, 2017	
	Number of Warrants	Weighted Ave. Exercise Price	Number of Warrants	Weighted Ave. Exercise Price
Outstanding, beginning of period	3,090,623	\$ 1.49	1,033,839	\$ 0.80
Granted	7,208,391	\$ 0.45	2,690,623	\$ 1.59
Expired/Cancelled	(486,768)	\$ 0.90	(633,839)	\$ 0.80
Outstanding, end of period	<u>9,812,246</u>	<u>\$ 0.76</u>	<u>3,090,623</u>	<u>\$ 1.49</u>

As at June 30, 2018, the following were outstanding:

Number of warrants outstanding	Exercise price	Remaining life (yrs)	Expiry
375,001	\$ 1.60	0.84	⁽¹⁾ May 3, 2019
906,250	\$ 1.60	0.93	⁽¹⁾ June 6, 2019
1,322,604	\$ 1.60	1.23	September 21, 2019
3,946,298	\$ 0.45	1.81	April 20, 2020
3,020,457	\$ 0.45	1.99	June 25, 2020
241,636	\$ 0.45	1.99	June 25, 2020
<u>9,812,246</u>		<u>1.67</u>	

⁽¹⁾ The expiry date was extended by one year during fiscal 2017

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

8. SHARE CAPITAL AND RESERVES (cont'd...)

e) Warrants (cont'd...)

The fair value of all compensatory finder's warrants granted is estimated on grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

Grant Date	Finder's Warrants Granted	Exercise Price	Annual Volatility Rate	Risk Free Interest Rate	Fair Value at Grant Date	Expected Life
Nov 23, 2016	13,643	\$ 0.80	246%	0.52%	\$ 0.44	1
Dec 21, 2016	9,750	\$ 0.80	239%	0.60%	\$ 0.36	1
May 3, 2017	10,875	\$ 1.60	143%	0.51%	\$ 0.24	1
June 6, 2017	52,500	\$ 1.60	150%	0.46%	\$ 0.28	1
June 25, 2018	241,636	\$ 0.45	137%	0.70%	\$ 0.20	2

During the nine months ended June 30, 2018, 486,768 warrants expired, unexercised.

9. REVENUE

Total revenue of \$74,364 is derived from the following sources:

	Three Months Ended		Nine Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Hockey school revenues	\$ 39,245	\$ -	\$ 39,245	\$ -
Content development services	27,619	-	27,619	-
Campaign revenue	7,500	-	7,500	-
Total revenue	\$ 74,364	\$ -	\$ 74,364	\$ -

10. RELATED PARTY TRANSACTIONS

For the nine months ended June 30, 2018, the remuneration of the key management personnel, comprised of the directors and officers is as follows:

- Paid or accrued salaries for the current CEO of the Company and COO of a subsidiary of the Company in the amount of \$126,300 (2017 - \$5,682) and \$127,200 (2017 - \$5,682) respectively;
- Paid consulting fees of \$80,000 (2017 - \$8,000) to a company the current CFO controls;
- Paid professional fees for the provision of legal services of \$35,550 (2017 - \$39,004) to a law firm that a director of the Company practices through;
- Paid management fees of \$Nil (2017 - \$38,000) to a company controlled by the former CEO and director of the Company;
- Paid professional fees of \$Nil (2017 - \$25,000) to a company of which the former CFO of the Company is a director;
- Paid management fees of \$Nil (2017 - \$60,582) to a company controlled by the former CEO of RosterBot and former director of the Company which included numerous staff that allocated their time to the Company, and;
- Paid management fees of \$Nil (2017 - \$9,000) to a company controlled by a former director of the Company.

As at June 30, 2018, \$25,678 (2017 - \$23,318) is due to related parties and included in accounts payable and accrued liabilities.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

11. FINANCING INCOME, NET

Net financing income is comprised of the following:

	Three Months Ended		Nine Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interest income	\$ 177	-	\$ 5,267	-
Interest expense on debt	(4)	-	(784)	-
Net financing expense	\$ 172	-	\$ 4,482	-

12. SEGMENTED INFORMATION

The Company's operations comprise a single reportable operating segment engaged in technology investment. Amounts disclosed in the condensed interim consolidated financial statements for loss and loss per share represent segment amounts.

All of the company's operations and assets are located in Canada.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions for the nine month period ended June 30, 2018.

14. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and development of its mineral property interests. Capital is comprised of the Company's shareholders' equity (deficiency). The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities and short-term loans payable approximated their fair value because of the short-term nature of these instruments. Long-term loans payable are accounted for under the effective interest rate method.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables mainly consist of Goods and Service Tax receivable from the government of Canada.

PROSMART ENTERPRISES INC. (formerly Sora Capital Corp.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2018 and 2017

Expressed in Canadian Dollars (unaudited)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd...)*

Liquidity risk

The Company's approach to managing liquidity risk is to try and have sufficient liquidity to meet liabilities when due. As at June 30, 2018, the Company had a cash balance of \$576,329 (September 30, 2017 - \$1,977,491) to settle current liabilities of \$920,221 (September 30, 2017 - \$393,855). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating alternative financing opportunities.

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 a practice of trading derivatives.

16. COMMITMENTS AND CONTINGENCIES

The Company has entered into a lease commitment for office space which will require the following payments:

- \$20,304 in the fiscal year ended September 30, 2018
- \$81,216 in the fiscal year ended September 30, 2019
- \$33,840 in the fiscal year ended September 30, 2020

The Company has also entered into spokesperson agreements where it was agreed to pay the spokesperson a royalty on income and commissions on increasing user base. As at June 30, 2018, no royalties were paid or accrued for.