

Rozdil Capital Corporation

(A Capital Pool Company)

Unaudited Condensed Interim Financial Statements

**For the Three Months and Six Months Ended August
31, 2020 and 2019**

(In Canadian Dollars)

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Rozdil Capital Corporation
Unaudited Condensed Interim Statements of Financial Position
(in Canadian Dollars)

As at	August 31, 2020	February 29, 2020
Assets		
Cash	\$ 156,884	\$ 182,199
	\$ 156,884	\$ 182,199
Liabilities		
Accrued liabilities	\$ 6,692	\$ 6,280
Shareholders' equity		
Share capital, net of issuance costs (Note 3)	269,928	\$ 269,760
Contributed surplus	42,389	42,447
Accumulated Deficit	(162,125)	(136,288)
	150,192	175,919
	\$ 156,884	\$ 182,199

Approved by the Board **Brook Riggins**
Director **(Signed)**

 Neil Johnson
Director **(Signed)**

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

Rozdil Capital Corporation
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the Three Months and Six Months Ended August 31, 2020 and 2019
(in Canadian Dollars)

	Three month period ended August 31, 2020	Three month period ended August 31, 2019	Six month period ended August 31, 2020	Six month period ended August 31, 2019
Expenses				
Professional fees	\$ 20,304	\$ 19,392	\$ 22,641	\$ 35,752
Listing fees	3,117	9,829	3,171	36,457
Share based compensation	-	31,096	-	31,096
Bank charges	-	25	25	25
Total expenses	23,421	60,342	25,837	103,330
Net loss and comprehensive loss for the period	\$ (23,421)	\$ (60,342)	\$ (25,837)	\$ (103,330)
Net loss per share (basic and diluted)	\$ (0.01)	\$ (0.06)	\$ (0.01)	\$ (0.19)
Weighted average number of shares outstanding (basic and diluted)	2,150,133	1,086,813	2,150,066	540,437

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

Rozdil Capital Corporation
Unaudited Condensed Interim Statements of Cash Flows
For the Six Months Ended August 31, 2020 and 2019
(in Canadian Dollars)

Cash provided by (used in)	Six month period ended August 31, 2020	Six month period ended August 31, 2019
Operating activities		
Net loss for the period	\$ (25,837)	\$ (103,330)
Share based compensation	-	31,096
Change in deferred offering costs	-	12,500
Change in accrued liabilities	412	840
Cash Used in Operating Activities	(25,425)	(58,894)
Financing activities		
Share issuance (net of issuance costs)	-	165,131
Warrant exercise	110	-
Cash Provided by Financing Activities	110	165,131
Net change in cash	(25,315)	106,237
Cash beginning of period	182,199	95,014
Cash end of period	\$ 156,884	\$ 201,251

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Rozdil Capital Corporation
Unaudited Condensed Interim Statements of Changes in Shareholders' Equity
For the Six Months Ended August 31, 2020 and 2019
(in Canadian Dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated Deficit	Shareholders' Equity
Balance, March 1, 2019	2,350,000	\$ 115,000	\$ -	\$ (8,126)	\$ 106,874
Share issuance	2,150,000	215,000	-	-	215,000
Issuance costs (cash)	-	(49,869)	-	-	(49,869)
Issuance costs (agent warrants)	-	(11,351)	11,351	-	-
Share based compensation	-	-	31,096	-	31,096
Net loss for the period	-	-	-	(103,330)	(103,330)
Balance, August 31, 2019	4,500,000	\$ 268,780	42,447	\$ (111,456)	\$ 199,771

	Number of shares	Share capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, March 1, 2020	4,500,000	\$ 269,760	\$ 42,447	\$ (136,288)	\$ 175,919
Exercise of agent warrants (Note 3)	1,100	110	-	-	110
Fair value of agent warrants exercised (Note 3)	-	58	(58)	-	-
Net loss for the period	-	-	-	(25,837)	(25,837)
Balance, August 31, 2020	4,501,100	\$ 269,928	\$ 42,389	\$ (162,125)	\$ 150,192

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

Rozdil Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months and Six Months Ended August 31, 2020 and 2019
(in Canadian Dollars)

1. INCORPORATION AND NATURE OF BUSINESS

Rozdil Capital Corporation (the "Corporation") was incorporated under the Ontario Business Corporations Act on May 3, 2018 and is a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

The head office and the registered head office of the Corporation is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B6.

On October 21, 2020, the Board of Directors approved the unaudited condensed interim financial statements for the three and six months ended August 31, 2020 and 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. These unaudited condensed interim financial statements are presented in Canadian dollars, which is the corporation's functional and presentation currency.

The accounting policies applied by the Corporation in these Unaudited Condensed Interim Financial Statements are the same as those applied by the Corporation in its audited financial statements for the year ended February 29, 2020.

Rozdil Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months and Six Months Ended August 31, 2020 and 2019
(in Canadian Dollars)

3. SHARE CAPITAL

Authorized Unlimited common shares

Issued	#	\$
2,350,000 common shares (i)	2,350,000	\$ 117,500
Issuance cost (cash)	-	(2,500)
Balance, February 28, 2019	2,350,000	\$ 115,000
2,150,000 common shares (ii)	2,150,000	215,000
Issuance cost (cash)	-	(48,889)
Issuance cost (share-based payment)	-	(11,351)
Balance, February 29, 2020	4,500,000	\$ 269,760
Exercise of Agents Warrants (iii)	1,100	168
Balance, August 31, 2020	4,501,100	269,928

(i) Escrowed Shares

During the period ended February 28, 2019, the Corporation issued 2,350,000 common shares at \$0.05 per share for total proceeds of \$117,500 and incurred \$2,500 of share issuance costs related to this issuance.

The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officer prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

(ii) Initial Public Offering

On July 16, 2019, the Corporation completed its Initial Public Offering ("IPO") of 2,150,000 common shares at \$0.10 per share for total proceeds of \$215,000. The Corporation paid a commission of 10% of gross proceeds to Haywood Securities Inc. (the "Agent") , and granted the Agent warrants to acquire 10% of the common shares issued in the offering exercisable for a period ending twenty-four months from the date the Corporation's common shares are listed on the TSX Venture Exchange, exercisable at \$0.10 per share. The Corporation also paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering. Cash issuance costs of \$48,889 were associated with these issuances and the value attributed warrants granted to the Agent is \$11,351.

Rozdil Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
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(in Canadian Dollars)

3. SHARE CAPITAL - continued

(iii) Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 450,000 outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of five years from the date of the grant. They are exercisable as determined by the Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions.

The following table reflects the continuity of stock options and warrants:

	Number of Stock Options and Warrants	Weighted Average Exercise Price (\$)
Granted to agent (i)	215,000	\$0.10
Granted to directors and officers (ii)	375,000	\$0.10
Granted to technical consultant (iii)	50,000	\$0.10
Balance, February 29, 2020	640,000	\$0.10
Exercise of agents warrants (i)	1,100	(\$0.10)
Balance, August 31, 2020	638,900	\$0.10

i. On July 16, 2019, the Corporation granted 215,000 warrants to the Agent, which are exercisable within two years from the date of grant at an exercise price of \$0.10 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.56%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was \$11,351. On August 20, 2020, the Agent exercised 1,100 warrants at an exercise price of \$0.10 per share for gross proceeds of \$110. The value attributed to these warrants was \$58.

ii. On July 16, 2019, the Corporation granted 375,000 options to directors and officers, which vested immediately upon completion of the IPO. The options are exercisable within five years from the date of grant at an exercise price of \$0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.51%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$27,985.

Rozdil Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
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3. SHARE CAPITAL - continued

(iii) Options - continued

iii. On July 16, 2019, the Corporation granted 50,000 options to the technical consultant which vested immediately upon completion of the IPO. The options are exercisable within three years from the date of grant at an exercise price of \$0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.53%, expected volatility of 100% and an expected life of three years. The value attributed to these options was \$3,111.

The following table reflects the actual stock options and warrants issued and outstanding as of August 31, 2020:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Stock Options and Warrants Outstanding	Number of Stock Options and Warrants Vested (Exercisable)
July 15, 2021	\$0.10	0.87	213,900	213,900
July 15, 2022	\$0.10	1.87	50,000	50,000
July 15, 2024	\$0.10	3.87	375,000	375,000
	\$0.10	2.71	638,900	638,900

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

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 not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 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 as defined under Exchange Policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

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5. RELATED PARTY TRANSACTIONS

During the six months ended August 31, 2020, the Corporation incurred fees of approximately \$3,656 (2019 - \$nil) for head office services provided by an entity whose owner is a director of the Corporation.

There was no remuneration paid to key management personnel during the six months ended August 31, 2020 (2019-\$nil) and no other related party transactions have occurred during this period.