

**DEPARTURE BAY CAPITAL CORP.**

Condensed Interim Financial Statements  
For the six months ended August 31, 2022  
(Expressed in Canadian dollars)

**DEPARTURE BAY CAPITAL CORP.**

Condensed Interim Statement of financial position  
(Expressed in Canadian dollars)

	August 31, 2022	February 28, 2022
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	71,636	-
Prepaid expense	15,000	-
	86,636	
<b>Total assets</b>	86,636	-
<b>Liabilities and shareholders' equity</b>		
<b>Current liability</b>		
Accounts payable and accrued liabilities	5,188	8,000
<b>Shareholders' equity (deficit)</b>		
Share capital (Note 5)	125,000	100,000
Subscription receivable (Note 5)	-	(100,000)
Deficit	(43,552)	(8,000)
<b>Total shareholders' equity (deficit)</b>	81,448	(8,000)
<b>Total liabilities and shareholders' equity</b>	86,636	-

**Initial Public Offering** (Note 3)

Approved and authorized for issuance on behalf of the Board of Directors on November 1, 2022 by:

/s/ Trevor Treweweke

Director

/s/ Paul Andreola

Director

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

**DEPARTURE BAY CAPITAL CORP.**

Condensed interim statement of net and comprehensive loss  
(Expressed in Canadian dollars)

	<b>For the three moths ended August 31, 2022</b>	<b>For the six moths ended August 31, 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses</b>		
Bank charges	293	528
Office and administrative	19	19
Legal fees	7,480	14,480
Accounting and audit fees	10,375	10,375
Regulatory and filing	-	10,150
<b>Net and comprehensive loss for the period</b>	<b>(18,167)</b>	<b>(35,552)</b>
Net loss per share, basic and diluted	(0.01)	(0.01)
Weighted average shares outstanding, basic and diluted	2,500,000	2,500,000

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**DEPARTURE BAY CAPITAL CORP.**

Condensed Interim statement of changes in shareholders' equity  
(Expressed in Canadian dollars)

	<u>Share capital</u>				Total
	Number of	Amount	Subscription	Deficit	shareholders'
	shares		Receivable		equity
		\$	\$	\$	\$
Balance, February 16, 2022 (date of incorporation)	-	-	-	-	-
Shares issued for cash	2,000,000	100,000	-	-	100,000
Subscription receivable	-	-	(100,000)	-	(100,000)
Net loss for the period	-	-	-	(8,000)	(8,000)
<b>Balance, February 28, 2022</b>	<b>2,000,000</b>	<b>100,000</b>	<b>(100,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>
Shares issued for cash	500,000	25,000	-	-	25,000
Subscription receivable	-	-	100,000	-	100,000
Net loss for the period	-	-	-	(35,552)	(35,552)
<b>Balance, August 31, 2022</b>	<b>2,500,000</b>	<b>125,000</b>	<b>-</b>	<b>(43,552)</b>	<b>(81,448)</b>

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

**DEPARTURE BAY CAPITAL CORP.**

Condensed interim statement of cash flows  
(Expressed in Canadian dollars)

	<b>For the six months ended August 31, 2022</b>
	\$
<b>Operating activities</b>	
<b>Net loss for the period</b>	(35,552)
<b>Adjustment for non-cash working capitals:</b>	
Prepaid expense	(15,000)
Accounts payable and accrued liabilities	(2,812)
<b>Net cash used in operating activities</b>	<b>(53,364)</b>
<b>Financing activity</b>	
Issuance of common shares	25,000
Subscription received	100,000
<b>Net cash provided by financing activity</b>	<b>125,000</b>
Increase in cash, being cash end of period	71,636
Cash – beginning of period	-
<b>Cash – end of period</b>	<b>71,636</b>

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## DEPARTURE BAY CAPITAL CORP.

Notes to the condensed interim financial statements  
For the Six Months Ended August 31, 2022  
(Expressed in Canadian dollars)

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### 1. NATURE OF OPERATIONS

Departure Bay Capital Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on February 16, 2022. The Company is intending to be classified as a Capital Pool Company as defined in the TSX Venture Exchange (the “Exchange”) Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, B.C. V6B 5L1, Canada.

There is no assurance that the Company will identify a Qualifying Transaction.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at August 31, 2022, the Company has not generated any revenues from operations and has an accumulated deficit of \$43,552. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time. The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from the conflict in the Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the conflict in Ukraine to the business to be limited, the indirect impacts on the economy and on the industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. The Ukraine-Russia conflict and the pandemic might affect the Company’s ability to raise capital or complete a Qualifying Transaction as required by the Exchange’s Policies.

## **DEPARTURE BAY CAPITAL CORP.**

Notes to the condensed interim financial statements  
For the Six Months Ended August 31, 2022  
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### **2. BASIS OF PRESENTATION**

#### **Statement of Compliance**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended February 28, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending February 28, 2022 could result in the restatement of these condensed interim financial statements.

#### **Basis of Preparation**

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

#### **Significant Accounting Judgments, Estimates and Assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There have been no significant judgments made by management in the application of IFRS that have a significant effect on these financial statements.

### **3. INITIAL PUBLIC OFFERING**

The Company filed a prospectus with the securities regulatory authorities in the provinces of British Columbia and Alberta, and pursuant to an Agency Agreement (the "Agency Agreement") entered into between the Company and Canaccord Genuity Corp. (the "Agent"), to offer 2,000,000 Common Shares at \$0.10 (the "Offering") per share to the public for total gross proceeds of \$200,000 (before transaction costs). On October 26, 2022, the Company completed the Offering and listing on the TSX Venture Exchange. The Agent was granted warrants to purchase up to 10% of the total common shares sold under the offering at a price of \$0.10 per share, expiring 5 years from the closing of the Offering. The Company paid the agent a commission equal to 10% of the gross proceeds, an administrative fee of \$15,000 and for the Agent's reasonable legal fees and other reasonable expenses. The Company paid the Agent's expenses in connection with the Offering.

## **DEPARTURE BAY CAPITAL CORP.**

Notes to the condensed interim financial statements  
For the Six Months Ended August 31, 2022  
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### **4. SHARE CAPITAL**

#### **Authorized share capital**

Unlimited Class A Common Shares without par value; and  
Unlimited Class B Preferred Shares without par value

#### **Share issuances**

On February 16, 2022, the Company issued 2,000,000 common shares at \$0.05 per share to the directors of the Company for proceeds of \$100,000 which were received through the period ended August 31, 2022.

On March 18, 2022, the Company issued 500,000 common shares at a price \$0.05 per share.

Seed shares issued below the Initial Public Offering (“IPO”) price, shares acquired from treasury by non-arm’s length parties to the CPC and CPC stock options and shares issued on exercise of stock options, which were granted before the IPO and at an exercise price less than the IPO price, are all subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “Initial Release”) and an additional 25% will be released on the dates 6, 12, and 18 months following the Initial Release. Shares acquired by the “Pro Group” as such term is defined in Exchange policies, at or above the IPO price and shares acquired by a “Control Person” as such term is defined in Exchange policies, in the secondary market are not subject to the CPC Escrow Agreement.

### **5. TRANSACTIONS WITH RELATED PARTIES**

During the period ended August 31, 2022, there were no related party transactions. There was no compensation to key management personnel.

### **6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

#### **Capital Management**

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. Additional funds may be required to finance the Company’s QT. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company’s on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs.

## **DEPARTURE BAY CAPITAL CORP.**

Notes to the condensed interim financial statements

For the Six Months Ended August 31, 2022

(Expressed in Canadian dollars)

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### **6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

#### **Risk Disclosures and Fair Values**

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

#### **Liquidity Risk**

As at August 31, 2022, the Company had accounts payable and accrued liabilities of \$5,188 due within 12 months and had cash of \$71,636 to meet its current obligations. Cash was held at a major Canadian financial institution at August 31, 2022. As a result, the Company has minimal liquidity risk.

#### **Credit Risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with a major financial institution. The Company believes it has no significant credit risk.

### **7. SUBSEQUENT EVENTS**

At the closing of the IPO (Note 3), the Company also granted stock options to the directors of the Company to acquire up to an aggregate of 450,000 common shares. Each Option is exercisable to acquire one common share at a price of \$0.10 at any time until October 26, 2027