

BAROLO VENTURES CORP.

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

As at and for the three months ended August 31, 2019 and 2018

BAROLO VENTURES CORP.
(the “Company”)

CONDENSED INTERIM FINANCIAL STATEMENTS
As at and for the three months ended August 31, 2019

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Management of the Company is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

BAROLO VENTURES CORP.

Condensed Interim Statements of Financial Position

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

As at,

	August 31, 2019	May 31, 2019 (Note 1)
Assets		
Current assets		
Cash	\$ 118,817	\$ 162,715
GST receivable (Note 5)	6,287	14,973
	\$ 125,104	\$ 177,688
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 13,644	\$ 44,992
Shareholders' equity		
Share capital (Note 7)	9,058,020	9,058,020
Contributes surplus (Note 7)	1,997,298	1,997,298
Deficit	(10,943,858)	(10,922,622)
	111,460	132,696
	\$ 125,104	\$ 177,688

Nature of operations and going concern (Note 1)

Subsequent event (Note 10)

Approved on October 22, 2019 on behalf of the board of directors:

"Scott Ackerman"
Scott Ackerman - Director

"Doug McFaul"
Doug McFaul – Director

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

BAROLO VENTURES CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

Unaudited – Prepared by Management

(Expressed in Canadian dollars)

For the three-month period ended August 31,

	2019	2018 (Note 1)
EXPENSES		
Audit and accounting	\$ 15,000	\$ 5,400
Bank charges	32	18
Consulting fees	-	1,000
Legal	605	13,007
Rent	3,000	1,000
Transfer agent and filing fees	2,599	4,702
TOTAL OPERATING EXPENSES	(21,236)	(25,127)
Foreign exchange loss	-	(453)
	-	(453)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ (21,236)	\$ (25,580)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.00)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING¹ (Basic and Diluted)	14,004,287	2,004,287
Loss and comprehensive loss attributable to:		
Shareholders of the Company	\$ (21,236)	\$ (19,446)
Non-controlling interests	-	(6,134)
	\$ (21,236)	\$ (25,580)

¹ Per share information has been retroactively adjusted to reflect the September 20, 2018 1.75 old for 1 new common share consolidation.

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

BAROLO VENTURES CORP.
Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
For the periods ended August 31,

	2019	2018 (Note 1)
Cash flows from operating activities:		
Net loss for the period	\$ (21,236)	\$ (25,580)
Items not involving cash:		
Foreign exchange loss	-	453
Change in non-cash operating working capital:		
GST Receivable	8,686	(3,226)
Accounts payable and accrued liabilities	(31,348)	28,335
Net cash used in operating activities	(43,898)	(18)
Investing activities:		
Restricted cash	-	(600,000)
Financing activities:		
Shares to be issued	-	600,000
Change in cash for the period	(43,898)	(18)
Cash, beginning of the period	162,715	117
Cash, end of the period	\$ 118,817	\$ 99
Supplementary information with respect to cash flows:		
Income taxes paid	\$ 15,968	\$ -
Interest paid	\$ -	\$ -

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BAROLO VENTURES CORP.Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Common Shares ¹	Share Capital	Contributed Surplus	Shares to be Issued	Deficit	Non- Controlling Interests	Shareholders' Equity
Balance, May 31, 2018	2,004,287	\$ 8,458,020	\$ 1,692,368	\$ -	\$ (8,911,629)	\$ (1,624,740)	\$ (385,981)
Shares to be issued	-	-	-	600,000	-	-	600,000
Net loss	-	-	-	-	(25,580)	-	(25,580)
Non-controlling interests	-	-	-	-	6,134	(6,134)	-
Balance, August 31, 2018 (Note 1)	2,004,287	\$ 8,458,020	\$ 1,692,368	\$ 600,000	\$ (8,931,075)	\$ (1,630,874)	\$ 188,439
Balance, May 31, 2019	14,004,287	\$ 9,058,020	\$ 1,997,298	\$ -	\$ (10,922,622)	\$ -	\$ 132,696
Net loss	-	-	-	-	(21,236)	-	(21,236)
Balance, August 31, 2019	14,004,287	\$ 9,058,020	\$ 1,997,298	\$ -	\$ (10,943,858)	\$ -	\$ 111,460

¹ Per share information has been retroactively adjusted to reflect the September 20, 2018 1.75 old for 1 new common share consolidation.

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

BAROLO VENTURES CORP.

Notes to the Condensed Interim Financial Statements
As at and for the three months ended August 31, 2019
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

Barolo Ventures Corp. (the “Company”) was incorporated on June 13, 2006 and is a public company whose shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “BVC.H”. The Company was previously engaged in the acquisition, exploration and development of mineral properties in Canada and the United States, but currently does not have an active business, and is investigating new business opportunities. The registered and records office of the Company is 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8 and the principle place of business is 1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3.

On September 20, 2018, the Company changed its name from North American Potash Developments Inc. to Barolo Ventures Corp. and consolidated its common shares on a 1.75 old for 1 new basis (all share and per share amounts in these interim financial statements reflect the share consolidation).

During the year ended May 31, 2019, management decided to dissolve the Company’s three US subsidiaries (BUA USA LLC, Potash Green LLC, and Potash Green Utah LLC). The majority of the assets and liabilities in these companies were intercompany loans, advances and investments that have now been written off. All comparative figures in these condensed interim financial statements include the accounts of the Company and the now dissolved subsidiaries.

Going Concern

These condensed interim financial statements are prepared on the basis that the Company will continue as a going concern. The Company has a history of losses and anticipates further losses in its search for and evaluation of new business opportunities. As at August 31, 2019, the Company has an accumulated deficit of \$10,943,858 and working capital of \$111,460. The future success of the Company is dependent on settlement of its liabilities, the identification and successful negotiation/acquisition of a sustainable/viable business operation together with the ability to finance the necessary funding, at agreeable terms, to support a business or asset acquisition. Management recognizes that the Company will need to generate additional financial resources in order to meet its planned business objectives. Management believes that the Company will have sufficient liquidity to meet its operational requirements for the next fiscal year. However, the Company’s continued operations are dependent upon its ability to identify, evaluate and successfully negotiate an agreement to acquire an interest in a sustainable/viable business operation. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation, and/or will be able to obtain the financing necessary to support a new business acquisition. All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company’s ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

2. Basis of Presentation

The condensed interim financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standard Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. Accordingly, these condensed interim financial statements do not include all of the information required for the full annual financial statements and should be read in conjunction with the most recent audited annual consolidated financial statements of the Company as at and for the year ended May 31, 2019 which are available on www.sedar.com. The board of directors authorized these financial statements for issue on October 22, 2019.

BAROLO VENTURES CORP.

Notes to the Condensed Interim Financial Statements
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3. Significant Accounting Policies

The condensed interim financial statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for the statements of cash flows.

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements as at and for the year ended May 31, 2019 which is available at www.sedar.com, except for those new, revised and/or amended standards adopted below, and reflect all the adjustments necessary for fair presentation in accordance with IAS 34. There has been no material impact on these financial statements from changes in accounting standards during the period.

4. Adoption of New Accounting Policies

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended May 31, 2019, except for the adoption, on June 1, 2019, of **IFRS 16, Leases** ("IFRS 16"), and **IFRIC 23, Income Taxes** ("IFRS 23"), both of which have an initial application as at this date.

IFRS 16, Leases

The new standard requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a "right-of-use" asset with exceptions for certain short-term leases and leases of low-value assets. The new standard is likely to result in increases to both the asset and liability positions of lessees as well as reported depreciation expense and finance costs of these entities in the statement of profit or loss. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company does not have any adjustments as it does not have any leases.

IFRIC 23, Income Taxes

New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019, with early adoption permitted. Due to the Company dissolving its subsidiaries, the Company could be subject to penalties for failure to file tax returns for its subsidiaries. The Company has not measured the potential impact of these penalties. Any liabilities will be booked once the Company can reasonably measure them.

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5. GST Receivable

	August 31, 2019	May 31, 2019
GST receivable	\$ 6,287	\$ 14,973

6. Related Party Transactions

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's board of directors and corporate officers.

As of August 31, 2019, \$nil was due to related parties. (May 31, 2019 - \$nil)

During the three-month periods ended August 31, 2019 and 2018 \$nil was recorded as compensation costs for key management personnel and companies related to them.

7. Share Capital and Contributed Surplus**(a) Authorized**

Unlimited number of common shares without par value.

(b) Share capital issued and outstanding

On September 20, 2018, the Company consolidated its common shares on a 1.75 old for 1 new basis (all share and per share amounts in these financial statements reflect the share consolidation).

On August 22, 2018, the Company closed a non-brokered private placement financing of 12,000,000 Subscription Receipts of the Company at a price of \$0.05 per Subscription Receipt. On October 2, 2018, each Subscription Receipt automatically converted into one unit of the Company (each, a "Unit") for no additional consideration. Each Unit consists of one post-consolidated common share and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional post-consolidated common share at a price of \$0.07 per share until October 2, 2019. Subsequent to the period-end all warrants expired unexercised.

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7. Share Capital and Contributed Surplus (continued)**(b) Share capital issued and outstanding (continued)**

As at August 31, 2019, 14,004,287 common shares are issued and outstanding (May 31, 2019 – 14,004,287).

(c) Stock Options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding common shares. These options may be granted for a maximum term of ten years from the date of grant and vest as determined by the board of directors.

On December 3, 2018 the Company granted 1,400,000 incentive stock options to directors, officers and a consultant of the Company. The options have an exercise price of \$0.25, expire in five years, and vested immediately.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted average Exercise Price
Balance, as at May 31, 2019	1,400,000	\$0.25
Granted	-	-
Balance, as at August 31, 2019	1,400,000	\$0.25

As at August 31, 2019, stock options outstanding and exercisable are as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
December 3, 2018	1,400,000	\$0.25	December 3, 2023	4.26
Total	1,400,000	\$0.25		4.26

(d) Warrants

On October 2, 2018, as part of a non-brokered private placement the Company issued 12,000,000 share purchase warrants, with each warrant entitling the holder to acquire one post-consolidated common share at a price of \$0.07 per share until October 2, 2019. These warrants have a \$nil value based on the residual value method.

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7. Share Capital and Contributed Surplus (continued)**(d) Warrants (continued)**

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted Average Exercise price	Expiry Date
Balance, as at May 31, 2019	12,000,000	\$ 0.07	October 2, 2019
Warrants issued	-	-	
Balance, as at August 31, 2019	12,000,000	\$ 0.07	October 2, 2019

Subsequent to the period-end, on October 2, 2019 all warrants expired unexercised.

8. Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The board of directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

The Company's functional currency is the Canadian dollar. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

The Company believes it is not subject to significant currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial.

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8. Financial Instruments (continued)**Market Risk (continued)****(iii) Price rate risk**

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company is exposed to credit risk with respect to its cash position and receivables. The Company's cash is held in a major Canadian financial institution which is considered to have high creditability. The Company's receivable is from a government agency thus the collection is considered assured. The Company believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. As at August 31, 2019, the Company had a cash balance of \$118,817 (May 31, 2019 - \$162,715) to settle liabilities of \$13,644 (May 31, 2019 - \$44,992). As such, management believes that the Company likely has insufficient liquidity to meet its operational requirements for the next fiscal year, and therefore remains dependent upon the financial support of its shareholders and creditors. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Additionally, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Consequently, the Company is exposed to liquidity risk as at August 31, 2019.

Fair Value

As at August 31, 2019 and May 31, 2019, the Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Cash and receivables are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

BAROLO VENTURES CORP.

Notes to the Condensed Interim Financial Statements

As at and for the three months ended August 31, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

9. Capital Management

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, contributed surplus and deficit). The Company's objectives when managing capital are to support the identification and acquisition of a new business opportunity and thus the creation of shareholder value as well as to ensure that the Company is able to meet its financial obligations as they become due.

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, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at August 31, 2019, the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the period ended August 31, 2019.

10. Subsequent Event

On October 2, 2019, the 12,000,000 warrants issued as part of the August 22, 2018 non-brokered private placement expired unexercised.