CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended
June 30, 2019 and 2018

(in Canadian dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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 Accountants for a review of interim financial statements by an entity's auditor.

Copper One Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at

	Note		June 30, 2019		December 31, 2018
			(unaudited)		
ASSETS					
Current assets					
Cash and cash equivalents		$	2,534,592	$	4,379,739
Receivables	3		147,955		38,374
Prepaid expenses	4		571,100		62,913
Total current assets		$	3,253,647		4,481,026
Non-current assets					
Exploration and evaluation assets	5		100,000		100,000
TOTAL ASSETS		$	3,353,647	$	4,581,026
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities		$	71,121	$	35,203
Total liabilities		$	71,121		35,203
Shareholders' Equity					
Share capital			18,922,990		18,922,990
Share-based payments reserves	6		312,177		520,999
Deficit			(15,952,641)		(14,898,166)
Total shareholders' equity		$	3,282,526		4,545,823
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	3,353,647	$	4,581,026

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Approved on behalf of the Directors:

"Scott Moore" — Director

"Fred Leigh" — Director

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

Copper One Inc.

Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)

Unaudited

(Expressed in Canadian dollars)

		For the three months ended June 30,		For the six months ended June 30,	
	Note	2019	2018	2019	2018
Operating expenses					
Management and consulting fees	7	$ 302,883	$ 112,743	$ 431,635	$ 231,502
General office and administration expenses		53,318	24,806	75,568	45,606
Shareholder communications and filing fees		14,460	19,073	36,107	51,126
Travel and promotion		250,233	5,753	412,364	38,013
Accounting and legal		41,926	7,741	63,786	12,481
Exploration and evaluation expenses	5	155,760	14,694	155,760	48,895
Foreign exchange loss/(gain)		2,147	(71,242)	98,058	(161,985)
Total operating expenses		$ 820,727	$ 113,568	$ 1,273,278	$ 265,638
(Loss) before other income (expenses)		(820,727)	(113,568)	(1,273,278)	(265,638)
Other income (expenses)					
Loss on dispositon of property and equipment		-	-	-	(6,333)
Interest income		7,032	4,794	9,981	8,188
Net (loss) and comprehensive (loss) for the period		$ (813,695)	$ (108,774)	$ (1,263,297)	$ (263,783)
(Loss) per share					
Basic and diluted		$ (0.02)	$ (0.00)	$ (0.04)	$ (0.01)
Weighted average number of shares outstanding:					
Basic and diluted		34,190,109	34,190,109	34,190,109	34,190,109

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

Copper One Inc.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited

(Expressed in Canadian dollars)

	Note	Six months ended June 30, 2019	2018
Cash (used in) provided by operations:			
Loss for the period		$ (1,263,297)	$ (263,783)
Items not involving cash:			
Loss on disposition of property and equipment		-	6,333
Change in working capital items:			
Receivables		(109,581)	347,021
Prepaid expenses and deposits		(508,187)	14,182
Accounts payable and accrued liabilities		35,918	(20,193)
Net cash (used in) provided by operating activities		(1,845,147)	83,560
Investing activities			
Exploration and evaluation assets	5	-	(75,000)
Net cash (used in) investing activities		-	(75,000)
Change in cash and cash equivalents		(1,845,147)	8,560
Cash and cash equivalents, beginning of period		4,379,739	4,838,783
Cash and cash equivalents, end of period		$ 2,534,592	$ 4,847,343

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

Copper One Inc.

Condensed Interim Consolidated Statements of Changes in Equity

Unaudited

(Expressed in Canadian dollars)

	Note	Number of Shares	Share Capital	Share-based payments: Options	Share-based payments: Warrants	Share-based payments reserve	Deficit	Total
Balance, December 31, 2017		34,190,109	$18,922,990	$ 536,888	$ 1,087,494	$ 1,624,382	$(15,289,987)	$ 5,257,385
Expiry of options	6	-	-	(15,889)	-	(15,889)	15,889	-
Net loss for the period		-	-	-	-	-	(263,783)	(263,783)
Balance, June 30, 2018		**34,190,109**	**$18,922,990**	**$ 520,999**	**$ 1,087,494**	**$ 1,608,493**	**$(15,537,881)**	**$ 4,993,602**
Balance, December 31, 2018		34,190,109	$18,922,990	$ 520,999	$ -	$ 520,999	$(14,898,166)	$ 4,545,823
Expiry of options	6	-	-	(208,822)	-	(208,822)	208,822	-
Net loss for the period		-	-	-	-	-	(1,263,297)	(1,263,297)
Balance, June 30, 2019		**34,190,109**	**$18,922,990**	**$ 312,177**	**$ -**	**$ 312,177**	**$(15,952,641)**	**$ 3,282,526**

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

1. Nature of operations and going concern

Copper One Inc. (the “Company”) operates under the *Canada Business Corporations Act*. The Company’s wholly owned subsidiary 7231300 Canada Ltd. was incorporated on August 26, 2009. The Company’s common shares trade on the TSX Venture Exchange under the symbol “CUO”.

The Company is in the process of exploring and evaluating mineral property interests. The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The Company’s continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company currently holds an option to purchase a 100% interest in the Las Morras gold project (see Note 5(b)).

The condensed interim consolidated financial statements of the Company for the six months ended June 30, 2019 were reviewed, approved and authorized for issue by the Board of Directors on August 29, 2019.

The Company has an accumulated deficit of $16,005,353, working capital of $3,182,526 as at June 30, 2019 and has a net loss totaling $1,263,297 during the six months ended June 30, 2019. The Company has a need for equity capital and financing for exploration and development of its property. The Company has no revenues and its continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required.

The head office and principal address of the Company is at Suite 805, 65 Queen Street West, Toronto, Ontario M5H 2M5.

Subsequent to the end of the June 30, 2019 reporting period, the Company received conditional approval (the “Conditional Approval”) from the Canadian Securities Exchange (“CSE”) to proceed with a previously announced change of business to an investment company (the “Change of Business”) under the rules of the CSE, and to list its common shares on the CSE. See Note 9.

2. Significant accounting policies

Basis of preparation

These condensed interim consolidated financial statements of the Company and its subsidiary were prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out in the Company's annual consolidated financial statements for the year ended December 31, 2018 were consistently applied to all the periods presented unless otherwise noted below.

The preparation of condensed interim financial statements in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. Certain disclosures included in annual financial statements have been condensed or omitted.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for available-for-sale investments which are reflected at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 7231300 Canada Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation.

<u>*Subsidiaries*</u>
Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

New and future accounting pronouncements

The unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2018, except for the adoption of the following new standards and interpretations issued by the IASB that were effective as of January 1, 2019.

IFRS 16 - Leases ('IFRS 16") replaces IAS 17 - Leases. The new model 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. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. There was no impact on the Company's interim financial statements upon adoption of IFRS 16 on January 1, 2019.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

New and future accounting pronouncements (continued)

IFRIC 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment or group of tax treatments that it used or plans to use in its income tax filings. There was no impact on the Company's interim financial statements upon adoption of IFRIC 23 on January 1, 2019.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2020 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however, early adoption is permitted.

3. Receivables

	June 30, 2019	December 31, 2018
Sales taxes recoverable	$ 44,455	$ 38,374
Other	103,500	-
	$ 147,955	$ 38,374

(Expressed in Canadian dollars)

4. Prepaid expenses

	June 30, 2019	December 31, 2018
Prepaid insurance	$ 3,780	$ 9,450
Prepaid expenses	567,320	53,463
	$ 571,100	$ 62,913

5. Exploration and evaluation assets and expenditures

The exploration and evaluation assets of the Company are comprised as follows:

	Las Morras Option $	Total $
Balance, December 31, 2017	25,000	25,000
Acquisition (b)	75,000	75,000
Balance, June 30, 2019 and December 31, 2018	100,000	100,000

(a) Rivière Doré

On November 15, 2017, the Company entered into a settlement agreement with the Québec Government which facilitated an end to the Company's participation in the Rivière Doré project. Pursuant to the settlement agreement, the Company agreed to the assignment of all the mining claims comprising the Rivière Doré project to SOQUEM. The transaction closed on December 21, 2017.

The exploration and evaluation expenses related to Rivière Doré for the three and six months ended June 30, 2019 and 2018 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Legal	$ -	$ 14,694	$ -	$ 48,895

(b) Las Morras option

On November 14, 2017, the Company acquired an option to purchase a 100% interest in the Las Morras gold project (the "Project"), located in the Extremadura region of Spain, from Emerita Resources Corp. ("Emerita") pursuant to a binding letter agreement dated November 10, 2017 (the "Agreement").

(Expressed in Canadian dollars)

5. Exploration and evaluation assets and expenditures (continued)

(b) Las Morras option (continued)

Pursuant to the Agreement, Emerita has granted the Company an option (the "Option") to acquire a 100% interest in the Project. During the year ended December 31, 2017, as consideration for the Option, the Company paid $25,000 in cash, and paid an additional $75,000 in cash on January 10, 2018. In order to exercise the Option and acquire a 100% interest in the Project, the Company is required to:

- pay $100,000 in cash to Emerita on or before the date that is 24 months after the execution of the Agreement;
- spend $500,000 on exploration activities on the Project on or before the date that is 24 months after the execution of the Agreement;
- pay $250,000 in cash to Emerita on or before the date that is 36 months after the execution of the Agreement;
- spend $1,500,000 on exploration activities on the Project on or before the date that is 48 months after the execution of the Agreement; and
- grant to Emerita a 2% net smelter returns royalty on the Project.

Emerita will hold the Project in trust for the Company until the Option is exercised and the Project is assigned and transferred to the Company. If the Option is not exercised, Emerita will retain the Project. During the option period, the Company will be the operator of the Project. The original exploration permit for Las Morras was granted in 2012 and has been extended through subsequent renewals. The most recent renewal was valid until February 19, 2019. Emerita has filed a request with government authorities for an additional extension of the underlying permit and expects that approval is imminent.

This transaction was at arm's length and the Company did not pay any finder's fees in connection with this transaction.

The exploration and evaluation expenses related to Las Morras for the three and six months ended June 30, 2019 and 2018 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Land manager	$ 5,850	-	$ 5,850	$ -
Claims & maintenance	21,900	-	21,900	-
Environmental report	3,750	-	3,750	-
Field office and supplies	18,510	-	18,510	-
Legal costs	27,750	-	27,750	-
Management fee and tax	78,000	-	78,000	-
Total	$ 155,760	$ -	$ 155,760	$ -

(Expressed in Canadian dollars)

6. Share-based payments reserves

	Options			Warrants			Total
	Number of options	Weighted average exercise price	Estimated grant date fair value of options	Number of warrants	Weighted average exercise price	Estimated Grant Date Fair Value of warrants	
December 31, 2017	**1,961,800**	**$ 0.26**	**$ 536,888**	**19,700,288**	**$ 0.20**	**$ 1,087,494**	**$ 1,624,382**
Expired	(20,000)	1.00	(15,889)	(19,700,288)	0.20	(1,087,494)	(1,103,383)
December 31, 2018	**1,941,800**	**$ 0.25**	**$ 520,999**	**-**	**$ -**	**$ -**	**$ 520,999**
Expired	(483,000)	0.70	(208,822)	-	-	-	(208,822)
June 30, 2019	**1,458,800**	**$ 0.19**	**$ 312,177**	**-**	**$ -**	**$ -**	**$ 312,177**

The Company has a stock-option plan whereby the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the plan will be for a term not to exceed 5 years.

During the six months ended June 30, 2019, the Company recorded expired unexercised stock options of $208,822 (June 30, 2018 - $15,889) to deficit.

The following options were in existence at June 30, 2019:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price ($)	Fair value at grant date ($)	Grant date share price ($)	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
10,000	10,000	03-Jul-2014	03-Jul-2019	0.70	6,700	0.50	120%	5	0	1.52%
1,448,800	1,448,800	11-Oct-2016	11-Oct-2021	0.19	305,477	0.19	190%	5	0	0.76%
1,458,800	1,458,800				312,177					

Options issued by the Company are priced using the Black-Scholes option-pricing model. Where relevant, the expected life used in the model is adjusted based on managements' best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. The expected life of the option is calculated based on the history of option exercises. The weighted average remaining contractual life of the options exercisable at June 30, 2019 was 2.3 years (December 31, 2018 – 2.5 years).

(Expressed in Canadian dollars)

7. Related party transactions and balances

During the three and six months ended June 30, 2019 and 2018, the Company entered into the following transactions in the ordinary course of business with related parties from an accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services			
	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Forbes & Manhattan, Inc.	$ -	$ 30,000	$ 30,000	$ 60,000

Mr. Stan Bharti is the Executive Chairman of Forbes. The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month was charged by Forbes pursuant to a consulting agreement. On March 14, 2019, Mr. Bharti was appointed President and CEO and director of the Company, as a result amounts paid to Forbes from April 1, 2019 on are included as part of compensation of key management, directors and officers. As at June 30, 2019, prepaid expenses included $59,500 advanced to Forbes and receivables included $103,500 owing from Forbes.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the three and six months ended June 30, 2019 and 2018 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Short-term benefits	$ 150,250	$ 54,750	$ 210,250	$ 109,500

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

See Note 8.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amount, which are actual amounts spent by the transacting parties.

8. Commitments and contingencies

Management contracts

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $4,243,000 to be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $694,000 due within one year.

8. Commitments and contingencies (continued)

Environmental

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. (See note 5)

Legal Proceedings

The Company is from time to time named in various legal proceedings. The Company has not estimated or accrued any amounts related to such proceedings as they are believed to be without merit.

9. Subsequent events

On Aug. 14, 2019, the Company announced that it had received Conditional Approval from the CSE to proceed with a previously announced Change of Business to an investment company under the rules of the CSE, and to list its common shares on the CSE. As a result, the Company's common shares were delisted from the TSX Venture Exchange effective August 13, 2019. The Company is working to satisfy the remaining conditions as set out in the Conditional Approval.

In addition, the Company announced its intention to change its name from "Copper One Inc." to "QuestCap Inc.", or such other name as the Company's directors may determine (the "Name Change"). The Name Change is subject to shareholder approval to be requested at the Company's annual and special meeting of shareholders to be held on September 25, 2019.

On July 3, 2019, 10,000 options expired with exercise prices of $0.70.

On July 24, 2019, the Company entered into a convertible promissory note with OjO Electric LLC ("OJO"), a California limited liability company, purchasing a non-negotiable convertible promissory note for US$400,000 ($523,960). Unless the note is converted, principal and accrued interest is due to the Company on the maturity date. Interest shall accrue at a rate of 7% per annum. The principal and any accrued interest will convert automatically in the event OJO closes an equity financing prior to the maturity date. The principal and interest would convert into the number, class and series of securities as those issued by OJO in a qualified equity financing at the conversion price. This note is unsecured.

On August 5, 2019, the Company entered into a loan agreement with Flora Growth Corp. ("Flora") whereby the Company agreed to lend Flora up to US$375,000 (the "Principal"). Interest is accrued and calculated at a rate of 10% per annum on the Principal that has been drawn down plus any unpaid interest. The Principal and accrued interest is due and payable on demand by the Company. Flora and the Company may negotiate repayment of the loan through the transfer of securities or other investment products, subject to a subsequent written agreement. Deborah Battiston, CFO of the Company, is also the CFO of Flora.