

Condensed Interim Financial Statements of

GOURMET OCEAN PRODUCTS INC.

For the three and nine months ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of Gourmet Ocean Products Inc. have been prepared by, and are the responsibility of, the Company's management.

Gourmet Ocean Products Inc'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.

Gourmet Ocean Products Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	June 30, 2020 (Unaudited)	September 30, 2019 (Audited)
		\$	\$
Current Assets			
Cash		199	2,215
Other receivables	4	10,658	6,864
Prepaid expenses	5	-	5,421
		10,857	14,500
Current Liabilities			
Accounts payable and accrued liabilities		29,601	51,081
Shareholder loans	6	208,000	120,000
		237,601	171,081
Shareholders' Deficiency			
Share capital	7	9,471,337	9,471,337
Share-based payments reserves		901,194	901,194
Deficit		(10,599,275)	(10,529,112)
		(226,744)	(156,581)
		10,857	14,500

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
COMMITMENTS (Note 12)

Approved on behalf of the Board:

"George Dorin"
Director

"Peter Hughes"
Director

See accompanying notes to unaudited condensed interim financial statements.

Gourmet Ocean Products Inc.

Condensed Interim Statements of Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2020	2019	2020	2019
	\$	\$	\$	\$
Expenses				
Bank charges and interest expense	29	73	67	531
Consulting fees	17,100	17,100	51,300	55,300
Director fees	4,500	3,000	10,500	20,500
Office and general	2,406	5,037	16,632	23,700
Professional fees	1,091	277	20,729	65,408
Rent	-	-	-	230
Salaries and benefits	-	-	-	7,527
Supplies and utilities	-	-	-	1,330
Travel	-	-	-	1,105
	25,126	25,487	99,228	175,631
Loss from operations	(25,126)	(25,487)	(99,228)	(175,631)
Other income (expense)				
Gain on disposal of subsidiaries	-	-	-	(1,126,597)
Foreign exchange gain (loss)	-	-	-	2,619
Write-off sales tax receivables (recovery)	-	-	(29,065)	-
	-	-	(29,065)	(1,123,978)
Net income (loss) and comprehensive income (loss)	(25,126)	(25,487)	(70,163)	948,347
Loss per common share – basic and diluted	(\$0.000)	(\$0.000)	(\$0.001)	\$0.008
Weighted average number of common shares outstanding	125,068,733	125,068,733	125,068,733	125,068,733

See accompanying notes to condensed interim financial statements.

Gourmet Ocean Products Inc.

Condensed Interim Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

	Common Shares				Total
	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
		\$	\$	\$	\$
Balance, September 30, 2018 (audited)	125,068,733	9,471,337	901,194	(10,189,235)	183,296
Net income and comprehensive income for the period	-	-	-	948,347	948,347
Balance, June 30, 2019 (unaudited)	125,068,733	9,471,337	901,194	(10,501,721)	(129,190)
Balance, September 30, 2019	125,068,733	9,471,337	901,194	(10,529,112)	(156,581)
Net loss and comprehensive loss for the period	-	-	-	(70,163)	(70,163)
Balance, June 30, 2020 (unaudited)	125,068,733	9,471,337	901,194	(10,599,275)	(226,744)

See accompanying notes to condensed interim financial statements.

Gourmet Ocean Products Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
	\$	\$
OPERATING ACTIVITIES		
Net income (loss) for the period	(70,163)	948,347
Items not involving cash:		
Gain on disposal of subsidiaries	-	(1,126,597)
	(70,163)	(178,250)
Changes in non-cash working capital balances:		
Other receivables	(3,794)	(5,852)
Prepaid expenses and deposits	5,421	8,775
Accounts payable and accrued liabilities	(21,480)	77,130
Cash used in operating activities	(90,016)	(98,197)
FINANCING ACTIVITIES		
Shareholder loan	88,000	90,000
Cash provided by financing activities	88,000	90,000
Decrease in cash and cash equivalents	(2,016)	(8,197)
Cash, beginning	2,215	12,285
Cash, ending	199	4,088

See accompanying notes to condensed interim financial statements.

Gourmet Ocean Products Inc.

Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended June 30, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Gourmet Ocean Products Inc. (the "Company" or "Gourmet") was incorporated under the Business Corporations Act (British Columbia) on July 8, 2008. Its registered office is located at Bentall 3, Suite 2900, 595 Burrard Street, Vancouver, BC V7X 1J5, Canada. The Company's common shares were previously trading as a Tier 2 Industrial Issuer on the TSX-V under the symbol "GOP". During the year ended September 30, 2019, the Company successfully completed its sale of its wholly owned subsidiary, Wei Lian Aquaculture Co. Ltd. ("Wen Lian"). Prior to the sale of Wen Lian, the Company specialized in the production of seed for scallop and sea cucumber for aquaculture farms. The Company was also a buyer and exporter of sea cucumber. It conducted its hatchery activities in Courtenay, British Columbia, Canada. Following the completion of the sale of Wen Lian, the Company does not have any business and is actively looking for a new business.

The Company conducted all business through Wen Lian, and in accordance with TSX Venture Policy 2.5, the Company has not maintained the requirements for a TSX Venture Tier 2 company. The Company moved to the NEX board effective December 11, 2018.

For the nine months ended June 30, 2020, the Company had no source of operating revenues and incurred a net loss of \$70,163 (June 30, 2019 – a net income of \$948,347 through the sale of Wen Lian). The Company has an accumulated deficit of \$10,599,275 and has been incurring losses since inception. These condensed interim financial statements ("interim financial statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

The Company's ability to continue as a going concern is dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt, shareholder loans or equity issuances or other available means. There is no assurance that the Company will be able to identify, obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As such, there is material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern.

These 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 these interim consolidated financial statements. Management's plans to meet the Company's current and future obligations are to rely on the financial support of its key shareholders and parties related to the current key shareholders, as well as raise equity capital through private placements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These interim consolidated financial statements are in compliance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended September 30, 2019 and 2018.

The interim consolidated financial statements were authorized for issue by the Board of Directors on August 26, 2020.

b) Basis of measurement

The interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments carried at fair value.

Additionally, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Gourmet Ocean Products Inc.

Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended June 30, 2020 and 2019
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

Gourmet has no subsidiaries as of June 30, 2020 and September 30, 2019. No company was consolidated with Gourmet for the three and nine months ended June 30, 2020.

On December 5, 2018, Gourmet sold its wholly owned subsidiary of Wen Lian Aquaculture Co., Ltd. and wound up its wholly owned subsidiary Gourmet Ocean Products (USA) Inc. as the subsidiary was inactive for certain time.

The results of Wen Lian and Gourmet Ocean Products (USA) Inc. were consolidated with those of the Company up to the date of disposal and dissolution respectively.

d) Change in accounting policy

The Company has adopted the following accounting policies for the three and nine months ended June 30, 2020, which has no important impact on the Company's financial statements.

Standard effective for annual periods beginning on or after January 1, 2019

IFRS 16 *Leases* - IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates.

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 and in any future periods affected. Significant estimates include:

- *Share-based Compensation*

Estimating fair value for granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the interim consolidated financial statements include the following:

- *Deferred income taxes*

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. In addition, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period. Judgement is applied by management when determining the likely tax treatment for certain items giving rise to deferred tax assets or obligations.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

- Going Concern

Management makes an assessment about the Company's ability to continue as a going concern by taking into the account the consideration of the various factors discussed in Note 1. Judgement is applied by management in determining whether or not the elements giving rise to factors that cause doubt about the ability of the Company to continue as a going concern are present.

4. OTHER RECEIVABLES

	June 30, 2020	September 30, 2019
	\$	\$
GST/HST refundable	10,658	6,864
	10,658	6,864

5. PREPAID EXPENSES

	June 30, 2020	September 30, 2019
	\$	\$
Prepaid insurance	-	5,421
	-	5,421

6. SHAREHOLDER LOANS

Subsequent to the completion of the sale of Wen Lian, the buyer of Wen Lian and the major shareholder of the Company, Mr. Guonan Qiu, loaned the Company \$208,000 as of June 30, 2020, pursuant to a loan agreement. This loan is to be used by the Company for its future expenses, including operating costs, transaction costs and legal fees. The Loan is non-interest bearing. The Loan will mature on or before the completion of a transaction whereby Mr. Guonan Qiu would no longer be the controlling shareholder of the Company, as a result of the sale of all or part of his shares in a transaction that would be approved by the Board of the Company.

7. SHARE CAPITAL

Authorized: unlimited number of common shares without par value.

Escrow Shares

As at June 30, 2020 and September 30, 2019, the Company has nil of its shares held in escrow.

Stock Options

As at June 30, 2020 and September 30, 2019, the Company has no stock options outstanding. During the nine months ended June 30, 2020 and 2019, no options were exercised.

Stock Option Plan

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to five years from the date of grant.

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7. SHARE CAPITAL (continued)

In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised after 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan approved by the shareholders which complies with the rules and policies of the TSX-V.

Warrants

As at June 30, 2020 and September 30, 2019, there were no warrants outstanding and exercisable.

8. OTHER INCOME

For the nine months ended June 30, 2020, there was \$29,065 other income which was contributed from the write-off of sales tax receivables (recovery). For the nine months ended June 30, 2019, other income (expenses) included foreign exchange loss of \$2,619 and gain on disposal of subsidiaries of \$1,126,597.

On December 5, 2018, the Company completed the sale of Wen Lian, which resulted in a gain of \$1,126,597 upon extinguishment of Wen Lian's net liabilities of \$1,078,648.

9. RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances

There is a \$208,000 shareholder loan balance payable to Guonan Qiu. The Loan is non-interest bearing. The Loan will mature on or before the completion of a transaction whereby Mr. Guonan Qiu would be no longer the controlling shareholder of the Company as a result of the sale of all or part of his shares in a transaction that would be approved by the Board of the Company.

This balance is unsecured, non-interest bearing and have no fixed terms of repayment.

Related party transactions

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits or termination benefits were made during the nine months ended June 30, 2020 and 2019. Short-term key management compensation consists of the following:

	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
	\$	\$
Consulting fees	51,300	55,300
Director fees	10,500	20,500
	61,800	75,800

Gourmet Ocean Products Inc.

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10. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include accounts receivables, accounts payable and short-term debentures. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	June 30, 2020	September 30, 2019
	\$	\$
Financial assets at fair value through profit or loss (i)	199	2,215
Other financial liabilities (ii)	237,601	149,397

(i) Cash

(ii) Accounts payable and shareholder loan

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and;
- Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	June 30, 2020
	\$	\$	\$	\$
Cash	199	-	-	199

	Level 1	Level 2	Level 3	September 30, 2019
	\$	\$	\$	\$
Cash	2,215	-	-	2,215

Interest Rate and Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk the Company only holds its cash with Canadian and US financial institutions.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. All other financial instruments are denominated in Canadian dollars. In management's opinion there is no significant foreign exchange risk to the Company after the sale of Wen Lian.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company maintaining sufficient cash on hand through shareholder loan and equity financing.

Gourmet Ocean Products Inc.

Notes to the Condensed Interim Financial Statements
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(Unaudited)

10. FINANCIAL INSTRUMENTS (continued)

The following are the contractual maturities of financial liabilities:

June 30, 2020	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
	\$	\$	\$	\$	\$
Accounts payable	29,601	29,601	29,601	-	-
Shareholder loans	208,000	208,000	208,000	-	-
Total	237,601	237,601	237,601	-	-

September 30, 2019	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
	\$	\$	\$	\$	\$
Accounts payable	29,397	29,397	29,397	-	-
Shareholder loans	120,000	120,000	120,000	-	-
Total	149,397	149,397	149,397	-	-

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders through expansion corresponding to the level of risk.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets, reduce debt or increase its debt.

12. COMMITMENTS

The Company has a number of consulting agreements with its key management personnel and one arm's length entity. These agreements do not have specific expiry dates.