LEO ACQUISITIONS CORP.

(A CAPITAL POOL COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS

Unaudited - Prepared by Management

NINE MONTHS ENDED MARCH 31, 2020

(Expressed in Canadian Dollars)

LEO ACQUISITIONS CORP.

(A CAPITAL POOL COMPANY)

Unaudited - Prepared by Management

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NOTICE TO READER

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

The accompanying unaudited interim condensed financial statements of Leo Acquisitions Corp. (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 unaudited interim condensed financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

LEO ACQUISITIONS CORP.
(A CAPITAL POOL COMPANY)

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
Unaudited - Prepared by Management

AS AT MARCH 31, 2020 AND JUNE 30, 2019

(Expressed in Canadian Dollars)

	Note		March 31, 2020 (Unaudited)		June 30, 2019 (Audited)
ASSETS					
Current Assets					
Cash	3	$	224,028	$	252,918
		$	224,028	$	252,918
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities		$	47,375	$	56,585
Equity					
Share capital	5		647,149		647,149
Share option reserve	5		155,869		155,869
Deficit			(626,365)		(606,685)
			176,653		196,333
		$	224,028	$	252,918

Nature of Operations and Going Concern (Note 1)

Proposed Qualifying Transaction (Note 8)

Approved on Behalf of the Board

'Gerry Goldberg'	'Michael Newman'
Director	Director

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

LEO ACQUISITIONS CORP.
(A CAPITAL POOL COMPANY)

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
Unaudited - Prepared by Management
THREE AND NINE MONTHS ENDED MARCH 31, 2020 AND 2019

(Expressed in Canadian Dollars)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	**2019**	**2020**	**2019**
EXPENSES				
Filing fees	$ 1,412	$ 4,779	$ 7,304	$ 10,671
Professional fees	-	1,740	11,367	1,740
General and administrative	-	170	1,009	170
	1,412	6,689	19,680	12,581
LOSS AND COMPREHENSIVE LOSS	(1,412)	(6,689)	(19,680)	(12,581)
LOSS PER SHARE - BASIC AND DILUTED	$ (0.001)	$ (0.002)	$ (0.005)	$ (0.003)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	3,926,330	3,926,330	3,926,330	3,926,330

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

LEO ACQUISITIONS CORP.

(A CAPITAL POOL COMPANY)

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

Unaudited - Prepared by Management

NINE MONTHS ENDED MARCH 31, 2020 AND 2019

(Expressed in Canadian Dollars)

	Note	Common Shares		Share Capital		Share Option Reserve		Deficit		Total Equity
Balance at June 30, 2018		4,229,357	$	647,149	$	155,869	$	(579,424)	$	223,594
Net loss		-		-		-		(12,581)		(12,581)
Balance at March 31, 2019		4,229,357	$	647,149	$	155,869	$	(592,005)	$	211,013

	Note	Common Shares		Share Capital		Share Option Reserve		Deficit		Total Equity
Balance at June 30, 2019		4,229,357	$	647,149	$	155,869	$	(606,685)	$	196,333
Net loss		-		-		-		(19,680)		(19,680)
Balance at March 31, 2020		4,229,357	$	647,149	$	155,869	$	(626,365)	$	176,653

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

LEO ACQUISITIONS CORP.
(A CAPITAL POOL COMPANY)

INTERIM CONDENSED STATEMENTS OF CASH FLOWS
Unaudited - Prepared by Management
THREE AND NINE MONTHS ENDED MARCH 31, 2020 AND 2019

(Expressed in Canadian Dollars)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	**2019**	**2020**	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	$ (1,412)	$ (6,689)	$ (19,680)	$ (12,581)
Changes in non-cash working capital:				
Accounts payable and accrued liabilities	1,412	1,713	(9,210)	(5,602)
CASH FLOWS USED IN OPERATING ACTIVITIES	-	(4,976)	(28,890)	(18,183)
CASH FLOWS FROM FINANCING ACTIVITIES				
NET DECREASE IN CASH	-	(4,976)	(28,890)	(18,183)
CASH, BEGINNING OF PERIOD	224,028	257,894	252,918	271,101
CASH, END OF PERIOD	$ 224,028	$ 252,918	$ 224,028	$ 252,918

SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	$ -	$ -	$ -	$ -
Income taxes paid	$ -	$ -	$ -	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Leo Acquisitions Corp. (the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Ontario) on October 28, 2009. The Company is a Capital Pool Corporation ("CPC"), as defined in policy 2.4 of the TSX Venture Exchange (the "Exchange") with a view to completing a Qualifying Transaction. The Company was unable to complete a Qualifying Transaction within the time limits prescribed by the Exchange. As a result, on May 16, 2013, the Company's common shares were transferred to the NEX board of the Exchange, and are listed under the symbol "LEQ.H".

As at March 31, 2020, the Company has not commenced commercial operations and has no significant assets other than cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined under the policies of the Exchange.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limits permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

The Company's registered address and principal place of business is 45 Sheppard Ave East, Suite 703, Toronto, Ontario, M2N 5W9.

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These interim condensed financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These interim financial statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRS.

These interim condensed financial statements do not include all of the disclosures required by IFRS for annual financial statements and accordingly should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2019.

These interim condensed financial statements were approved by the Company's board of directors and authorized for issue on May 4, 2020.

Basis of Presentation

These interim condensed financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for assets.

Functional and Presentation Currency

The interim condensed financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Accounting Estimates and Judgments

The preparation of interim financial statements requires management to make judgments, estimates and form assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience 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 under difference assumptions and conditions.

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. Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Critical estimates used in the preparation of these interim condensed financial statements include, among others, the recoverability of sales taxes recoverable, the valuation of share-based compensation and recognition of deferred income tax amounts, and the estimated amount of accrued liabilities. Actual results may differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards Implemented in 2020

Leases ("*IFRS 16*")

The Company adopted IFRS 16 on its effective date of July 1, 2019 using the modified retrospective basis with no restatement of comparative periods. This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for shortterm leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17, Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

There is no impact of adopting this new standard on the Company's interim condensed financial statements as the Company does not have any leases.

Recent Accounting Pronouncements

New IFRS accounting standards, interpretations, and amendments to existing standards that were not yet effective as at June 30, 2019, are described in note 2 to the annual financial statements. The Company is currently assessing what impact the application of those standards or amendments will have on its financial statements. The Company intends to adopt the standards, when they become effective. There have been no other changes to existing IFRS accounting standards and interpretations since June 30, 2019 that are expected to have a material effect on the Company’s interim condensed financial statements.

3. CASH

Cash Restriction

Cash consists of cash held in trust by the Company's lawyers. In accordance with the fined policies of the Exchange the gross 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 no more than the lesser of 30% of the gross proceeds from the issuance of shares and $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. As at March 31, 2020, the Company has exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

Fair Value Hierarchy

As at March 31, 2020 and June 30, 2019 the Company has only one financial instrument carried at fair value, which is cash. Cash is a Level 1 instrument measured based on quoted market prices. There were no transfers between the levels of the fair value hierarchy during the periods then ended.

4. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued share capital, share option reserve and accumulated deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its activities relating to identifying and evaluating Qualifying Transactions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional capital through the issuance of equity.

The Company is not subject to any externally imposed capital requirements other than the cash restriction disclosed in note 3. There has been no change with respect to the overall capital risk management strategy during the period ended March 31, 2020.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL

Authorized, Issued, and Outstanding

The Company is authorized to issue an unlimited number of common shares.

On October 18, 2016, the Company completed a consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for 3.3 pre-consolidation common shares. All share quantities in the interim condensed financial statements are reflected on a post-consolidation basis.

On October 21, 2016, the Company issued 727,272 common shares under a non-brokered private placement at price of $0.0495 per share for gross proceeds of $36,000.

On July 11, 2017, the Company issued 1,308,000 common shares under a non-brokered private placement at a price of $0.055 per share for gross proceeds of $71,940.

Included in the issued and outstanding shares are 303,027 seed shares which were issued at a price of $0.165 per common share which are subject to a CPC Escrow Agreement pursuant to the policies of the Exchange. Under the terms of the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow upon receiving notice from the Exchange that the Company has completed a Qualifying Transaction (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the Initial Release. Shares held in escrow will be cancelled should the Company fail to complete its Qualifying Transaction or become de-listed.

Stock Options

The Company awards stock options to directors, officers and technical consultants under an incentive stock plan (the "Plan"). Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Compensation expense is recognized when options are issued. The board of directors of the Company may from time to time, in its discretion, grant to directors, officers, and technical consultants of 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 exercisable for a period of up to five years from the date of grant.

The following table reflects the continuity of stock options for the periods presented:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable - June 30, 2019 and March 31, 2020	422,935	$0.33

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

Stock Options (Continued)

Options granted are accounted for by the fair value method of accounting for share-based payments. The Company records stock-based compensation expense over the vesting period and credits reserves for all options granted.

The Company had the following stock options outstanding and exercisable as at March 31, 2020:

Number of Options Outstanding	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
219,407	$0.33	February 17, 2021	0.89 years
203,528	$0.33	March 5, 2023	2.93 years
422,935			1.87 years

6. FINANCIAL INSTRUMENTS AND RISK FACTORS

Risk management is carried out by the officers of the Company as discussed with the Board of Directors. The officers of the Company are charged with the responsibility of establishing controls and procedures to ensure that financial risks are appropriately mitigated.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures.

As at March 31, 2020, the Company has liabilities of $47,375 (June 30, 2019 - $56,585) due within twelve months and has cash of $224,028 (June 30, 2019 - $252,918) to meet its current obligations. As a result, the Company has minimal liquidity risk.

Credit Risk

The Company's exposure to credit risk arises from the possibility that its debtors may fail to meet their obligations. Cash is held in trust by the Company's lawyers. The Company manages the credit exposure related to cash by making sure that the lawyers maintain bank accounts with recognized Schedule I banks in Canada. The carrying amount of cash and sales taxes recoverable represent the maximum credit exposure.

7. SEGMENTED INFORMATION

The Company operates in only one business segment, namely the pursuit of a Qualifying Transaction. All of the Company's assets are located in Canada.

8. PROPOSED QUALIFYING TRANSACTION

Letter of Intent

On July 10, 2019, the Company entered into a signed Letter of Intent (the "**LOI**"), with CBX Brands Inc. ("**CBx**"), a private corporation incorporated pursuant to the laws of Ontario, which outlines the general terms and conditions pursuant to which the Company and CBx are to complete a business combination to ultimately form the resulting issuer (the "**Resulting Issuer**") who will carry on the current business of CBx (the "**Transaction**"). The Company intends that the Transaction will constitute its Qualifying Transaction, as defined in the policies of the TSX Venture Exchange.

Pursuant to the LOI, it is contemplated that the Company and CBx will complete an arm's length transaction whereby the Company is to acquire all the issued and outstanding shares of CBx by way of a share exchange, plan of arrangement, amalgamation or other form of business combination. For such purposes, the Company will be valued at $1,903,211 (based on 4,229,357 issued and outstanding common shares of the Company at a value of $0.45 per share) and CBx will be valued at $9,835,260 on a pre-Concurrent Financing basis (as defined below). Based on the relative valuations of the Company and CBx at closing of the Transaction, the Company will issue the applicable number of common shares of the Resulting Issuer to the shareholders of CBx. Furthermore, all other securities of CBx, including all issued and outstanding options and warrants, will be exchanged for equivalent securities of the Resulting Issuer.

The Company and CBx shall promptly negotiate and enter into a definitive agreement (the "**Definitive Agreement**"), together with such other documents that may be required to effect such filings and applications as are required in order to more fully delineate, formalize and execute the terms of the Transaction as outlined in the LOI. The Definitive Agreement would incorporate the principal terms of the Transaction set forth in the LOI, together with other representations, warranties, and indemnities customary for transactions of a similar nature.

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the negotiation of the Definitive Agreement; (ii) receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents; (iii) satisfactory results of due diligence and the absence of any material change or a change in a material fact or a new material fact affecting the Company or CBx; (iv) completion of the Concurrent Financing (as defined below); and (v) if applicable, each party having received appropriate approvals from their shareholders.

There can be no assurance that the Transaction will be completed on the terms proposed above or at all. It is intended that upon closing of the Transaction that the common shares of the Resulting Issuer will be listed and posted for trading on the TSX Venture Exchange.

8. PROPOSED QUALIFYING TRANSACTION (Continued)

Concurrent Financing

In connection with the Transaction, CBx will be required to complete an equity financing by way of private placement of subscription receipts for gross proceeds of $1,000,000 or such other amount that is adequate to meet the applicable listing requirements of the TSX Venture Exchange (the "**Concurrent Financing**"). The parties have not yet engaged a lead agent to assist with the completion of the Concurrent Financing

As of the date of approval of these interim condensed financial statements, there have been no further developments in respect of the signing of a definitive agreement with CBx nor any of the other conditions indicated above.