ZIDANE CAPITAL CORP.

FINANCIAL STATEMENTS

YEARS ENDED JANUARY 31, 2018 AND 2017

(Expressed in Canadian Dollars)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zidane Capital Corp.,

We have audited the accompanying financial statements of Zidane Capital Corp., which comprise the statements of financial position as at January 31, 2018 and 2017 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zidane Capital Corp. as at January 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 of the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Zidane Capital Corp.'s ability to continue as a going concern.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
May 31, 2018

Zidane Capital Corp.

Statements of Financial Position
As of January 31
(Expressed in Canadian dollars)

	Notes		2018		2017
Assets					
Current assets					
Cash and cash equivalents	4	$	59,537	$	163,715
Interest receivable	4		189		625
GST receivable			5,931		1,768
Prepaid expenses			-		20,000
Total assets		$	65,657	$	186,108
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	63,827	$	37,811
Due to related parties	5		-		23,570
			63,827		61,381
Equity					
Share capital	6		509,838		399,910
Shares subscribed	6		-		62,300
Reserves			5,830		53,458
Deficit			(513,838)		(390,941)
			1,830		124,727
Total liabilities and equity		$	65,657	$	186,108

These financial statements are authorized for issue by the Board of Directors on May 31, 2018.

On behalf of the board:

/S/"Casper Bych" Director *Casper Bych*

/S/"David Salmon" Director *David Salmon*

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

Zidane Capital Corp.

Statements of Loss and Comprehensive Loss
For the years ended January 31,
(Expressed in Canadian dollars)

	Notes		2018		2017
Expenses					
Accounting and audit		$	9,900	$	12,000
Legal			103,206		45,525
Filing fees			10,446		10,303
Office and administration (recovery)	5		(197)		26,400
Travel and entertainment			-		1,266
Loss before other item			(123,355)		(95,494)
Interest income			458		680
Net loss and comprehensive loss for the year		$	(122,897)	$	(94,814)
Loss per share - basic and diluted		$	(0.05)	$	(0.04)
Weighted average number of common shares outstanding			2,382,278		2,139,052

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

Zidane Capital Corp.

Statements of Changes in Equity
For the years ended January 31
(Expressed in Canadian dollars)

	Share Capital			Reserves			
	Number of Shares	Amount	Shares Subscribed	Share Option Reserve	Warrants Reserve	Deficit	Total Equity
		$	$	$	$	$	$
Balance at January 31, 2016	2,139,052	399,910	-	47,628	5,830	(296,127)	157,241
Share subscriptions received	-	-	62,300	-	-	-	62,300
Net loss and comprehensive loss for the year	-	-	-	-	-	(94,814)	(94,814)
Balance at January 31, 2017	2,139,052	399,910	62,300	47,628	5,830	(390,941)	124,727
Shares issued – options exercised	311,500	109,928	(62,300)	(47,628)	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	-	(122,897)	(122,897)
Balance at January 31, 2018	2,450,552	509,838	-	-	5,830	(513,838)	1,830

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

Zidane Capital Corp.

Statements of Cash Flows
For the years ended January 31
(Expressed in Canadian dollars)

	2018	2017
Cash flows from (used in) operating activities		
Net loss for the year	$ (122,897)	$ (94,814)
Adjustments to reconcile net loss to net cash used in operating activities:		
Recovery of office and administration expense	(1,050)	-
Changes in non-cash working capital balances		
Interest receivable	436	1,217
GST receivable	(4,163)	2,061
Prepaid expenses	20,000	(20,000)
Accounts payable and accrued liabilities	27,066	15,159
Due to related parties	(23,570)	(2,810)
Total cash outflows from operating activities	(104,178)	(99,187)
Cash flows from investing activity		
Share subscriptions received from option exercises	-	62,300
Change in cash and cash equivalents during the year	(104,178)	(36,887)
Cash and cash equivalents, beginning of year	163,715	200,602
Cash and cash equivalents, end of year	$ 59,537	$ 163,715
Supplemental cash flow information:		
Interest received	$ 894	$ 1,714

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on February 12, 2010. Its registered office is Suite 300 – 576 Seymour Street, Vancouver, BC, Canada, V6B 3K1. The Company is a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "TSX-V").

Effective October 24, 2013, the Company's listing was transferred from the TSX-V to the NEX Board of the TSX-V, and began trading under the Symbol ZZE.H because the Company did not complete a Qualifying Transaction ("QT") within the period required by the TSX-V Policy 2.4.

On January 12, 2016, the Company executed an Amalgamation Agreement (the "Agreement") with HydRx Farms Ltd. ("HydRx"), a private Canadian company, and Precursor Capital Corp. ("Precursor"). On January 9, 2017, HydRx provided notice of termination of the Agreement to the Company, effective January 23, 2017. In response, on January 19, 2017, the Company commenced legal action against HydRx. See Note 8.

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. There is no assurance that the Company will identify an appropriate business for acquisition or investment and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms, which are satisfactory to it. Furthermore, there is no assurance that the business acquired will be profitable.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board ("IASB") that are effective for the year ended January 31, 2018.

(b) Basis of preparation

These financial statements have been prepared on an accrual basis and are based on historical costs.

(c) Foreign currencies

The functional and presentation currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments

Non-derivative financial assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Financial assets held are cash and cash equivalents and interest receivable. Financial assets are classified into the following specified categories: loans and receivables, financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Cash and cash equivalents are classified as fair value through profit or loss.

Loans and receivables

Loans and receivables result from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Interest receivable is classified as loans and receivables.

Non-derivative financial liabilities

Such financial liabilities are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are carried at amortized cost using the effective interest rate method.

Accounts payable and accrued liabilities and due to related parties are classified as non-derivative financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial instruments* (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable and prepayments, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derivative financial instruments

The Company does not have any derivative financial instruments.

(e) *Cash and cash equivalents*

Cash and cash equivalents is comprised of cash held at banks and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

(f) *Share capital*

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Share-based payments

The Company operates an employee stock option plan as described in note 6. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share option reserve.

The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(h) Income taxes

Any income tax on profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss in the statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities, and the Company intends to settle its current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(j) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(k) Accounting standards issued but not yet effective

Standard	Title	Applicable for financial years beginning on/after
IFRS 2	Share-based Payment (amendments)	January 1, 2018
IFRS 9	Financial Instruments	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 12	Income Taxes (amendments)	January 1, 2019

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. FINANCIAL RISK MANAGEMENT

(a) Overview

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

3. FINANCIAL RISK MANAGEMENT (continued)

(a) *Overview* (continued)

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is attributable to its financial assets which are comprised of cash and cash equivalents and interest receivable. The Company limits its exposure to credit risk on financial assets through maintaining its cash and cash equivalents with high credit quality financial institutions.

The carrying value of the Company's cash and cash equivalents and interest receivable, represent the maximum exposure to credit risk.

(c) *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 ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are invested in business accounts with high credit quality financial institutions in Canada, all of which are available on demand by the Company and are not invested in any asset-backed deposits or investments.

(d) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) *Interest rate risk*

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's policy is to invest cash at fixed rates of interest and cash reserves are to be maintained in cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when the cash and cash equivalents mature impact interest income earned.

(ii) *Currency risk*

In the normal course of business, the Company may enter into transactions for the purchase of supplies and services denominated in a currency other than the functional currency of the Company. As a result, the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates. The Company has not entered into any derivative or other financial instruments to mitigate this foreign exchange risk.

(Expressed in Canadian dollars)

3. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

(f) Financial instruments measured at fair value

Financial assets and liabilities are measured at fair value in the statements of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and cash equivalents are classified as Level 1.

4. CASH AND CASH EQUIVALENTS

	January 31, 2018	January 31, 2017
Bank demand deposits	$ 23,520	$ 58,592
Guaranteed investment certificates	36,017	105,123
Cash and cash equivalents	$ 59,537	$ 163,715

At January 31, 2018, cash and cash equivalents includes one Coast Capital Savings Credit Union GIC maturing on May 18, 2018 with a total principal amount of $36,017 bearing interest of 0.75% per annum. The GIC is redeemable on demand by the Company.

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

During the year, there were no related party transactions.

As at January 31, 2018 and 2017, the following amounts were payable to related parties:

		2018		2017
Office rent and other expenses charged by a company owned by the Company's CEO/CFO	$	(1,050)	$	3,570
Legal retainer paid by the Company's CEO/CFO		-		20,000
	$	(1,050)	$	23,570

6. SHARE CAPITAL

(a) Authorized share capital

At January 31, 2018, the authorized share capital consisted of an unlimited number of common shares without par value.

(b) Share capital issuances

During the year ended January 31, 2018, the Company completed the following share capital issuance:

- On April 21, 2017, the Company issued 311,500 common shares valued at $0.20 per share pursuant to the exercise of options where notice to exercise was given by optionholders during April and May 2016. The optionholders collectively paid $62,300 in share subscriptions to the Company during the year ended January 31, 2017. $47,628, the original fair value of the options exercised, was transferred from the share option reserve to share capital.

(c) Share purchase warrants

There were no common share purchase warrants outstanding as at January 31, 2018 and 2017.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

(d) Share purchase options

Option transactions during fiscal 2018 and 2017 are summarized as follows:

	2018		2017	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
		$		$
Outstanding, beginning of year	-	-	311,500	0.20
Exercised	-	-	(311,500)	0.20
Outstanding, end of year	-	-	-	-
Exercisable, end of year	-	-	-	-

The Company's stock option plan is administered by the board of directors in accordance with TSX-V requirements summarized below:

(i) Maximum available for grant is up to 10% of the Company's issued shares outstanding at any one time;

(ii) Grant price and exercise price may not be less than the discounted market price of the shares at the time of grant, as permitted by TSX-V policy;

(iii) Non-transferable, vesting schedule subject to Board discretion when granted and exercisable up to five (5) years from grant date, and;

(iv) Eligibility includes employees, directors, officers and consultants of the Company subject to a 5% limitation on options granted annually to any one individual director or officer and 2% to any one consultant.

(e) *Basic and diluted loss per share*

The calculation of basic and diluted loss per share for the year ended January 31, 2018 was based on the loss attributable to common shareholders of $122,897 (2017 - $94,814) and the weighted average number of shares outstanding of 2,382,278 (2017 – 2,139,052).

(Expressed in Canadian dollars)

7. TAXATION

(a) A reconciliation of income taxes at statutory rates is as follows:

	2018	2017
Net loss for the year before income tax recovery	$ (122,897)	$ (94,814)
Effective statutory income tax rate	26.08%	26.00%
Expected income tax recovery	(32,056)	(24,652)
Unrecognized benefit of non-capital losses	32,056	24,652
	$ -	$ -

No provision has been made for current income taxes, as the Company has no taxable income.

(b) The significant components of the Company's deferred income tax assets are as follows:

	2018	2017
Non-capital loss carry-forward pools	$ 138,780	$ 90,220
Valuation allowance	(138,780)	(90,220)
	$ -	$ -

(c) The Company's unrecognized deductible temporary differences and unused tax losses consist of the following:

	2018	2017
Non-capital loss carry-forward pools	$ 514,000	$ 347,000

(d) Non-capital loss carry-forwards

The Company has non-capital losses available for deduction against future years' taxable income totaling approximately $514,000. The Company has not recognized any future benefit for these tax losses, as it is not considered likely that they will be utilized. If unused, these tax losses will expire as follows:

Year	Amount
2031	$ 1,000
2032	130,000
2033	41,000
2034	47,000
2035	33,000
2036	44,000
2037	95,000
2038	123,000
	$ 514,000

8. NOTICE OF CIVIL CLAIM

The transaction and the Agreement between the Company and HydRx were intended, subject to their terms and conditions, to result in the business combination of HydRx, Precursor and the Company through an amalgamation. On the completion of the amalgamation, former holders of the common shares of HydRx and Precursor were to receive common shares of the Company.

On January 9, 2017, HydRx provided the Company with a notice of termination, in the event that termination was required, terminating the Agreement effective January 23, 2017. On January 19, 2017, in response to the notice of termination, the Company filed a Notice of Civil Claim (the "Notice") in the Supreme Court of British Columbia seeking performance of the Agreement, damages, an interlocutory injunction restraining HydRx from terminating the Agreement and from other breaches of the Agreement until adjudication of the Notice, and costs. On February 10, 2017, HydRx filed a Response to the Notice in the Supreme Court of British Columbia opposing the granting of the relief sought in the Notice.

As at the date of these financial statements, the civil claim proceedings are in the examination for discovery stage.