ZIDANE CAPITAL CORP.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED APRIL 30, 2019

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3(a0), if an auditor has not performed a review of the 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 interim 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 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.

"Casper Bych" (signed)
Chief Financial Officer

July 2, 2019

Zidane Capital Corp.

Statement of Financial Position
As at April 30, 2019
(Expressed in Canadian dollars, unless stated otherwise)

	Notes	April 30 2019	January 31 2019
Assets			
Current assets			
Cash and cash equivalents	4	$ -	$ 21
Total assets		$ -	$ 21
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 59,982	$ 64,841
Due to a related party		$ 4,908	$ 2,687
		64,890	$ 67,528
Equity			
Share capital		$509,838	$509,838
Shares subscribed		-	-
Reserves		5,830	5,830
Deficit		(586,409)	(583,175)
Total equity		(70,741)	(67,507)
Total Liabilities and Equity		$ (5,851)	$ 21

These financial statements are authorized for issue by the Board of Directors on July 2, 2019.

On behalf of the board:

/S/"Casper Bych" Director *|* */S/"David Salmon"* Director

Casper Bych David Salmon

Zidane Capital Corp.

Statement of Loss and Comprehensive Loss
For the three months ended April 30
(Expressed in Canadian dollars, unless stated otherwise)

	Notes	2019	2018
Expenses			
Legal & Accounting		$ 970	$ 35,446
Filing fees		2,264	1,854
Office and administration	5	24	31
Loss before other item		(3,258)	(37,331)
Interest income		-	51
Net loss and comprehensive loss for the period		($ 3,258)	($ 37,280)
Loss per share - basic and diluted		(0.00)	(0.01)
Weighted average number of common shares outstanding		2,450,552	2,450,552

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

Zidane Capital Corp.

Statement of Changes in Equity
For the three months ended April 30, 2019
(Expressed in Canadian dollars, except for Number of Shares)

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

Zidane Capital Corp.

Statement of Cash Flows
For the three months ended April 30, 2019
(Expressed in Canadian dollars, unless stated otherwise)

	Notes	2019	2018
Operating Activities			
Net loss for the period		($ 3,258)	($ 37,280)
Changes in non-cash working capital balances:			
Interest receivable		-	(189)
GST receivable		-	(1,749)
Due to a related party		(2,221)	-
Accounts payable and accrued liabilities		4,959	(18,908)
Total outflows from operating activities		(520)	(57,748)
Investing Activities			
Decrease in Marketable Securities		-	36,017
Cash provided from investing activities		-	36,017
Increase (decrease) in cash		(21)	(21,731)
Cash and cash equivalents, beginning of period		21	23,520
Cash and cash equivalents, end of period		$ -	$ 1,789

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 605 – 889 West Pender Street, Vancouver, BC, Canada, V6C 3B2. 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"). This transaction and the Agreement are intended, subject to their terms and conditions, to result in the business combination of Hydrx, Precursor and the Company through the amalgamation. Pursuant to the Agreement, the Company will acquire all of the issued and outstanding securities of Hydrx and Precursor by way of a three-cornered amalgamation pursuant to which Hydrx and Precursor will amalgamate under the provisions of the Canada Business Corporations Act. On the completion of the amalgamation, former holders of the common shares of Hydrx and Precursor will receive common shares of the Company. HydRx has applied to Health Canada to obtain a license under the Access to Cannabis for Medical Purposes Regulations ("ACMPR") and owns an industrial production facility located in Whitby, Ontario. Completion of this transaction is subject to several conditions, as specified in the Agreement, including HydRx receiving its producer's license under the MMPR. 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, alleging HydRx has breached the Agreement with the Company and Precursor by attempting to merge with CannScience Innovations Inc. ("CannSci"), concealing negotiations with CannSci, refusing to confirm the accuracy of representations and warranties pursuant to the Agreement and failing or refusing to take steps to carry out its duties under the Agreement. Pursuant to this action, the Company is seeking specific performance of the Agreement. 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. 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, 2019.

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(d) *Financial instruments* (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

<u>Derivative financial instruments</u>

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(h) *Income taxes* (continued)

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.

(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 7	Statement of Cash Flows (amendments)	January 1, 2017

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.

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.

3. FINANCIAL RISK MANAGEMENT (continued)

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.

(d) Market risk (continued)

(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.

(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:

(Expressed in Canadian dollars, unless stated otherwise)

- 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

	April 30, 2019	January 31, 2019
Bank demand deposits	$ -	$ 21
Guaranteed Investment certificate	-	-
Cash and cash equivalents as per statement of cash flows	$ -	$ 21

5. RELATED PARTIES

(a) Transactions with key management personnel

	Period ended April 30, 2019	Period ended April 30, 2018
Filing fees, paid by the CEO/CFO on behalf of the company.	$2,219.79	-
Total	$2,219.79	-

6. SHARE CAPITAL

(a) Authorized Share Capital

At April 30, 2019 the authorized share capital consisted of an unlimited number of common shares without par value.

(b) Share purchase warrants

There were no common share purchase warrants outstanding as at April 30, 2019 and 2018.

(c) Share purchase options

(Expressed in Canadian dollars, unless stated otherwise)

There were no common share purchase options outstanding as at April 30, 2019 and 2018.

The company's stock option plan is administered by the Board of Directors in accordance with Exchange 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 Exchange policy,

(iii) non-transferable, vesting schedule subject to Board discretion when granted and exercisable up to 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 consultant.

(d) *Basic and diluted loss per share*

The calculation of basic and diluted loss per share for the period ended April 30, 2019 was based on the loss attributable to common shareholders of $3,258 and the weighted average number of shares outstanding of 2,450,552 (2018 – 2,450,552)

7. TAXATION

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

		2019		2018
Net loss for the year before income tax recovery	$	(69,337)	$	(122,897)
Effective statutory income tax rate		27.00%		26.08%
Expected income tax recovery		(18,721)		(32,056)
Unrecognized benefit of non-capital losses		18,721		32,056
	$	-	$	-

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:*

		2019		2018
Non-capital loss carry-forward pools	$	157,410	$	138,780
Valuation allowance		(157,410)		(138,780)
	$	-	$	-

(Expressed in Canadian dollars, unless stated otherwise)

7. TAXATION (continued)

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

	2019	2018
Non-capital loss carry-forward pools	$ 583,000	$ 514,000

(d) Non-capital loss carry-forwards

The Company has non-capital losses available for deduction against future years' taxable income totaling approximately $583,000. 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	86,000
2033	41,000
2034	47,000
2035	33,000
2036	44,000
2037	95,000
2038	123,000
2039	69,000
	$ 583,000

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 Colombia 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.