DAMON CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED NOVEMBER 30, 2015

(Unaudited - Prepared by Management)

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), 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 condensed interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

VANCOUVER, BC
January 21, 2016

DAMON CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note		November 30, 2015		August 31, 2015
ASSETS					
Current assets					
Cash	3	$	142,569	$	66,235
Receivables			7,049		7,049
Prepaid expenses			1,312		-
TOTAL ASSETS		**$**	**150,930**	**$**	**73,284**
LIABILITIES					
Accounts payable and accrued liabilities	4	$	21,784	$	42,984
SHAREHOLDERS' EQUITY					
Share capital	5		376,913		376,913
Reserves	5		106,844		106,844
Deficit			(354,611)		(453,457)
TOTAL EQUITY			129,146		30,300
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**150,930**	**$**	**73,284**

Continuance of operations (Note 1)

On behalf of the Board:

"Richard Barnett" Director *"Joe DeVries"* Director

See accompanying notes to the condensed interim financial statements

DAMON CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)

		Three months ended	
	Note	**November 30, 2015**	**November 30, 2014**
EXPENSES			
Investor communications		$ 275	$ -
Office facilities and administrative		11,517	9,111
Professional fees		4,815	5,823
Share-based payment	5	-	700
Transfer agent and filing fees		468	2,840
NET LOSS		(17,075)	(18,474)
Recovery of proposed QT costs		115,921	-
NET COMPREHENSIVE INCOME (LOSS)		$ 98,846	$ (18,474)
Basic and diluted income (loss) per share		$ 0.02	$ (0.00)
Weighted average number of common shares outstanding	2	4,427,300	4,427,300

See accompanying notes to the condensed interim financial statements

DAMON CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)

	Share capital					
	Number of shares	Amount	Reserves Stock Based Compensation	Reserves Other	Deficit	Total
Balance at August 31, 2014	5,987,300	$ 376,913	$ 56,144	$ 50,000	$ (322,591)	$ 160,466
Share-based payment – vesting	-	-	700	-	-	700
Net loss for the period	-	-	-	-	(18,474)	(18,474)
Balance at November 30, 2014	5,987,300	$ 376,913	$ 56,844	$ 50,000	$ (341,065)	$ 142,692
Balance at August 31, 2015	5,987,300	$ 376,913	$ 56,844	$ 50,000	$ (453,457)	$ 30,300
Net income for the period	-	-	-	-	98,846	98,846
Balance at November 30, 2015	5,987,300	$ 376,913	$ 56,844	$ 50,000	$ (354,611)	$ 129,146

See accompanying notes to the condensed interim financial statements

DAMON CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three month ended November 30, 2015	November 30, 2014
CASH FLOWS FOR OPERATING ACTIVITIES		
Income (loss) for the period	$ 98,846	$ (18,474)
Adjustments for non-cash items:		
Share-based payment	-	700
Net change in non-cash working capital accounts		
Decrease (increase) in prepaid expenses	(1,312)	1,470
Increase in receivables	-	456
Increase (decrease) in accounts payable	(21,200)	6,218
Net cash provided (used) in operating activities	76,334	(9,630)
Increase (decrease) in cash during period	76,334	(9,630)
CASH, BEGINNING OF PERIOD	66,235	176,990
CASH, END OF PERIOD	**$ 142,569**	**$ 167,360**

There were no non-cash activities for the period ended November 30, 2015.

1. NATURE OF OPERATIONS

Damon Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 12, 2011 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. On March 24, 2014, the Company announced that it did not complete its Qualifying Transaction ("QT") within the required time limits and as a result was transferred to the NEX Board. The Company will remain on the NEX Board until it has identified and completed a QT.

The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

These 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. Management believes it has sufficient resources to maintain current operations for the next twelve months.

The Company's continued operations are dependent on its ability to complete a QT, generate future cash flows and obtain additional financing.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. These condensed interim financial statements do not contain all of the information required for full annual financial statements and should be read in conjunction with the Company's 2015 annual audited financial statements.

Basis of preparation

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted, which is the functional currency of the Company.

The financial statements were authorized for issuance on January 21, 2016 by the directors of the Company.

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 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.

The Company has identified the following critical areas under which significant judgments, estimates and assumptions are made where actual results may differ from these estimates and may materially affect financial results reported in future periods: the grant date fair value of share-based payments and deferred taxes.

Share-based payments for agents' warrants and stock options are estimated by reference to the Black-Scholes pricing model as discussed in Note 5. Deferred tax assets, if any, are based on the probability of realization which the Company has assessed to be currently improbable.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Income (loss) per share

The Company computes the dilutive effect of options, warrants and similar instruments whereby the dilutive effect on income or loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

Basic income or loss per common share is calculated using the weighted average number of shares outstanding during the period. The 1,560,000 shares held in escrow have been excluded from the weighted average number of shares because they are contingently returnable.

Share-based payments

The Company has adopted a 10% rolling stock option plan whereby it can grant options to directors, officers, employees, and consultants of the Company. 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, they are recorded to the option reserve at the date the goods or services are received. 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 shall be based on the number of equity instruments that eventually vest.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Cash is considered as FVTPL.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period which are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Financial instruments (continued)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. At November 30, 2015 and August 31, 2015 the Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not currently have any derivative financial assets and liabilities.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Deferred income tax: (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

New accounting standards, interpretations and amendments not yet effective

IFRS 9 Financial Instruments – This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 is tentatively effective for annual periods beginning on or after January 1, 2018.

3. CASH

The components of cash are as follows:

	November 30, 2015	August 31, 2015
Cash	$ 142,569	$ 66,235

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2015	August 31, 2015
Accounts payable	$ 20,159	$ 25,584
Accrued liabilities	1,625	17,400
	$ 21,784	$ 42,984

5. SHARE CAPITAL AND RESERVES

The authorized share capital consists of an unlimited number of common shares without par value.

A total of 2,560,000 common shares were placed in escrow on completion of the Company's IPO and will be released pro-rata to the shareholders as to 10% upon final acceptance of a Qualifying Transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter.

5. SHARE CAPITAL AND RESERVES (continued)

These escrow shares may not be transferred, assigned or otherwise dealt without the consent of regulatory authorities.

As the Company did not complete its QT by the time limits prescribed by the TSX-V for capital pool companies, it was transferred to the NEX Board on March 24, 2014. On the transfer to the NEX, the Company was required to cancel 1,000,000 common shares issued to four non-arm's length parties, resulting in a total of 5,987,300 shares issued and outstanding at November 30, 2015.

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the board of directors.

In November 2011 the Company granted 448,730 incentive stock options to its directors. These options vested equally over 3 years at an exercise price of $0.10 per share and expire November 9, 2021. Based on a Black-Scholes calculation with a risk free rate of 1.19%, an estimated life of 4 years, volatility of 126%, and a dividends rate of 0%, the Company determined a fair value of $0.08 per share. As the options are fully vested, no share-based payment was recorded in the current period while a final amount of $700 was recorded in the period ended November 30, 2014. The number of options exercisable into common shares at November 30, 2015 is 448,730, but any options exercised would be immediately placed in escrow, subject to the same terms as the other escrow shares.

6. FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company's cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

6. FINANCIAL RISK MANAGEMENT (continued)

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. 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 its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

Classification of financial instruments

Fair value

The fair value of the Company's financial assets and liabilities, other than cash, approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at November 30, 2015:

	Level 1	Level 2	Level 3
Cash	$ 142,569	$ -	$ -

7. RELATED PARTY TRANSACTIONS

During the period ended November 30, 2015, the Company paid or accrued $7,500 (2014 – $7,500) for rent, office and other administration costs and $30,500 for proposed transaction costs to a company controlled by a director of the Company. Included in accounts payable at November 30, 2015 is $289 (2014 - $nil) owning to this company. In the current period the company had non-cash share-based payment expense of $nil (2014 - $700) for vesting of options for the directors.

8. PROPOSED QUALIFYING TRANSACTION

On July 17, 2015, the Company entered into an agreement with eSight Corporation ("eSight") with respect to a proposed business combination intended to constitute the Company's Qualifying Transaction ("QT"), as is defined by the TSX-V. The transaction was structured as a three-cornered amalgamation by way of plan of arrangement under the provisions of the Canada Business Corporations Act. Immediately following the completion of the arrangement, the newly constituted Company intended to complete a consolidation of its issued and outstanding common shares on the basis of one post-consolidation share for every 30 pre-consolidation shares.

On November 24, 2015, this agreement was terminated, and in accordance with the terms of the Arrangement Agreement, eSight paid Damon a termination payment of $150,000 on November 25, 2015.