

Richmond Road Capital Corp.
Condensed Interim Financial Statements
For the three and six months ended March 31, 2021
(Unaudited)
(Expressed in Canadian Dollars)

Richmond Road Capital Corp.
Condensed Interim Statements of Financial Position
As at:

	Note	March 31, 2021 (Unaudited)	September 30, 2020 (Audited)
Assets			
Current			
Cash	4	\$ 6,374	\$ 15,219
Total assets		\$ 6,374	\$ 15,219
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 159,429	\$ 96,396
Shareholders' Deficiency			
Share capital	5	\$ 383,364	\$ 383,364
Contributed Surplus		48,600	48,600
Deficit		(585,019)	(513,141)
Total shareholders' deficiency		(153,055)	(81,177)
Total liabilities and shareholders' deficiency		\$ 6,374	\$ 15,219

Going concern (Note 1)

Qualifying transaction/Subsequent event (Note 10)

Approved on behalf of the Board of Directors

"Michael Doyle"

Director

"Berkley Pennock"

Director

Richmond Road Capital Corp.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three and six months ended March 31,
(Unaudited)

	Note	Three months ended March 31, 2021	Three months ended March 31, 2020	Six months ended March 31, 2021	Six months ended March 31, 2020
Expenses					
Filing and communication fees		4,796	5,490	7,812	9,898
Professional fees		49,283	-	64,066	1,126
Net loss and comprehensive loss		(54,079)	(5,490)	(71,878)	(11,024)
Net loss per share					
Basic and diluted		(0.02)	(0.00)	(0.02)	(0.00)
Weighted shares outstanding	6	3,000,000	3,000,000	3,000,000	3,000,000

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

Richmond Road Capital Corp.
Condensed Interim Statement of Changes in Shareholders' Deficiency
(Unaudited)

	Share Capital (\$)	Contributed Surplus (\$)	Deficit (\$)	Shareholders' Deficiency (\$)
Balance, September 30, 2019	338,364	48,600	(489,158)	(102,194)
Share issuance	45,000	-	-	45,000
Net loss for the period	-	-	(11,024)	(11,024)
Balance, March 31, 2020	383,364	48,600	(500,182)	(68,218)
Balance, September 30, 2020	383,364	48,600	(513,141)	(81,177)
Net loss for the period	-	-	(71,878)	(71,878)
Balance, March 31, 2021	383,364	48,600	(585,019)	(153,055)

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

Richmond Road Capital Corp.
Condensed Interim Statements of Cash Flows
For the six months ended March 31,
(Unaudited)

	2021	2020
Cash provided by (used for) the following activities:		
Operating activities		
Net loss for the period	\$ (71,878)	\$ (11,024)
Changes in non-cash working capital	63,033	(21,372)
Cash flows used in operating activities	(8,845)	(32,396)
Financing activities		
Proceeds from share issuance	\$ -	\$ 45,000
Cash flows provided by financing activities	-	45,000
Decrease in cash	(8,845)	12,604
Cash, beginning of period	15,219	7,146
Cash, end of period	\$ 6,374	\$ 19,750

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

Richmond Road Capital Corp.
Notes to the Condensed Interim Financial Statements
For the three and six months ended March 31, 2021 and 2020
(unaudited)

1. Incorporation and operations

Richmond Road Capital Corp. (the "Company") was incorporated under the laws of Alberta, Canada on September 19, 2012. The Company is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Company's principal business activity is to identify and evaluate opportunities for an acquisition of an asset, assets or a business that will meet the definition of a "Qualifying Transaction" as defined in Policy 2.4 of the Exchange. The address of the registered head office is 1200, 700 – 2nd Street SW, Calgary, Alberta.

Where an acquisition or participation is warranted, additional funding will be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

The Company issued 3,000,000 common shares ("Seed Shares") for an amount of \$150,000, and on November 7, 2012, the Company's prospectus for an Initial Public Offering ("IPO") of the Company's common shares was accepted by the regulatory authorities. The IPO closed on November 16, 2012 and a total of 3,000,000 common shares were issued at a price of \$0.10 per common share.

The Company was not successful in completing a Qualifying Transaction within the time limitation permissible under the policies of the Exchange. As a result, the Company moved its listing to the NEX board of the Exchange ("NEX") and cancelled an aggregate of 1,000,000 Seed Shares. The Company's shares now trade on the NEX and its symbol is RRD.H.

Going concern

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As of March 31, 2021, the Company has a negative working capital balance of \$153,055 (September 30, 2020 - \$81,177), and for the six months ended, negative cash flows from operations of \$8,845 (March 31, 2020 - \$32,396), and a net loss of \$71,878 (March 31, 2020 - \$11,024). As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity or other financing to complete its qualifying transaction. The ability of the Company to be successful in obtaining financing cannot be predicted at the present time. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

The current challenging economic climate relating to the effect of the Coronavirus (COVID-19) may lead to challenges in managing cash flows and the ability to raise capital. These items may have a direct adverse impact on the Company's ability to close the Qualifying Transaction (Note 10).

2. Basis of preparation

Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and comply with IAS 34. These condensed interim financial statements does not include all of the information required of full financial statements and it is therefore recommended that these condensed interim financial statements be read in conjunction with the annual financial statements for the year ended September 30, 2020.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 28, 2021.

Basis of measurement

These financial statements are stated in Canadian dollars, which is the Company's functional currency, and were prepared on a going concern basis, under the historical cost convention except for share based compensation.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. These condensed interim financial statements have been prepared using the same judgments, estimates and assumptions as reported in the Company's September 30, 2020 audited annual financial statements.

3. Significant accounting policies

These condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as the financial statements for the year ended September 30, 2020 and should be read in conjunction with those annual financial statements and the notes thereto.

4. Cash

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds 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 may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

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5. Share capital

Authorized

Unlimited number of voting Common Shares, without nominal or par value

Unlimited number of non-voting Preferred Shares, without nominal or par value

Issued Common Shares

	Number of Shares	\$
As at September 30, 2019	5,000,000	338,364
Private placement – February 14, 2020 (i)	1,000,000	50,000
Share issue costs (i)	-	(5,000)
As at September 30, 2020 and March 31, 2021	6,000,000	383,364

- (i) On February 14, 2020, the Company closed a private placement of 1,000,000 common shares to officers, directors and insiders of the Company, at a price of \$0.05 per share for total consideration of \$50,000. These common shares are subject to an escrow agreement. The Company incurred share issuance costs of \$5,000 which have been applied against share capital.

Escrow

As at March 31, 2021, the Company has 3,000,000 common shares (March 31, 2020 – 3,000,000) which are subject to an escrow agreement whereby 10% of the shares will be released upon completion and approval of the Company's Qualifying Transaction. An additional 15% of the escrowed common shares will be released on each six-month anniversary thereafter unless otherwise permitted by the Exchange. These 3,000,000 shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of earnings (loss) per share calculation.

6. Share-based payments

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. However, other than in connection with a Qualifying Transaction, during the time that the Company is a CPC, the aggregate number of common shares issuable upon exercise of all options granted under the stock option plan shall not exceed 10% of the common shares at the closing of the Company's initial public offering. Such options will be exercisable up to ten years from the date of grant.

The following table summarizes information about stock options outstanding:

	Number of options (#)	Weighted average exercise price (\$)
As at March 31, 2021	600,000	0.10

As part of the close of the IPO, the Company granted 600,000 options at \$0.10 per share to the directors and officers of the Company which expire November 16, 2022 and are exercisable in accordance with the Exchange CPC provisions.

7. Related party transactions

During the six months ended March 31, 2021, the Company incurred approximately \$55,331 (March 31, 2020 - \$5,000) in legal fees for services provided by a law firm whose partner is a director of the Company. As at March 31, 2021, \$142,880 (September 30, 2020 - \$87,549) is included in accounts payable and accrued liabilities.

Transactions with related parties are incurred in the normal course of business and initially recorded at fair value.

8. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of the Company's cash and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash balance is held in a trust account of a national Canadian law firm.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company has a cash balance of \$6,374 (September 30, 2020 – \$15,219) to satisfy liabilities of \$159,429 (September 30, 2020 – \$96,396) and will therefore need to obtain sources of funding to meet obligations as they come due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Company does not have any cash invested in interest bearing financial instruments.

ii. Foreign currency risk

The Company does not have assets or liabilities in a foreign currency

9. Capital disclosures

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period end.

10. Qualifying transaction/Subsequent event

On April 8, 2021, the Company entered into an amalgamation agreement pursuant to which the Company and Fredonia Management Ltd. ("Fredonia"), an arms length company incorporated under the laws of the British Virgin Islands, intend to complete a business combination by way of a three-cornered amalgamation, whereby the shareholders of Fredonia will have a controlling ownership of the issued and outstanding shares of the Company (the "Transaction"). The Transaction is intended to serve as the Company's "qualifying transaction" as that term is defined in the of the Exchange. Fredonia directly or indirectly owns 100% interest in certain licence areas within the Deseado Massif geological region in the Province of Santa Cruz, Argentina.

It is intended that the Company will, immediately prior to the completion of the Transaction, consolidate its outstanding common shares on the basis of one post-consolidation share for 1.36 pre-consolidation share, resulting in an aggregate of 4,411,765 post-consolidation shares of the Company being issued and outstanding immediately prior to completion of the Transaction. Pursuant to the Transaction, the Company shall issue one post-consolidation common share to the shareholders of Fredonia for each Fredonia share held and, as a result, the Transaction will be a reverse take-over of the Company.

On February 25, 2021, Fredonia announced that it had closed a brokered private placement of 37,445,310 subscription receipts of Fredonia ("Subscription Receipts") at a price of \$0.17 per Subscription Receipt, for aggregate gross proceeds of \$6.3 million. Each Subscription Receipt will entitle the holder thereof to receive, upon automatic exchange in accordance with the terms of the Subscription Receipts, one common share of Fredonia and one half of one common share purchase warrant of Fredonia ("Warrant"), upon the satisfaction or waiver of certain escrow release conditions. Each whole Warrant will be exercisable at a price of \$0.25 per share until February 24, 2024.

The escrow release conditions include, without limitation, the receipt of all require corporate, shareholder and regulatory approvals in connection with the Transaction, the completion, satisfaction or waiver of all conditions precedent to the Transaction and that the shares have been conditionally approved for listing on the Exchange.

Each Fredonia share and Warrant will be exchanged in connection with the Transaction for one post-consolidation share of the Company and one common share purchase warrant of the Company (the "Resulting Issuer Warrants"), on substantially the same terms as the Warrants. The Resulting Issuer Warrants will have an option to accelerate the expiry date of the Resulting Issuer Warrants in the event that the closing price of the underlying shares on the Exchange is greater than \$0.60 per share for at least 20 consecutive trading days.

The Transaction is subject to a number of conditions, including but not limited to, approval of the Exchange and obtaining all necessary shareholder approvals.