

**Buzz Capital Inc.**  
**(A Capital Pool Corporation)**

**Financial statements**

**For the Period from the Date of  
Incorporation (February 15, 2017) to  
June 30, 2017  
(In Canadian Dollars)**

**Notice of No Auditor Review of the Interim Financial Statements**

---

The accompanying unaudited condensed 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 CPA Canada for a review of interim financial statements by an entity's auditor.

**Buzz Capital Inc.**  
**Unaudited Condensed Interim Statement of Financial Position**  
(in Canadian dollars)

---

June 30,  
2017

**Assets**

*Current Assets*

Cash held in trust	\$163,366
Prepays	12,000

---

Deferred financing costs (note 6)	14,139
-----------------------------------	--------

---

Total assets	\$189,505
--------------	-----------

---

**Liabilities**

Accrued liabilities	\$20,580
Due to shareholder (note 5)	2,500

---

23,080

---

**Shareholders' Equity**

Share capital, net of issuance costs (note 3)	194,106
Deficit	(27,681)

---

166,425

---

\$189,505

---

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

Subsequent Events (note 6)

**Approved on behalf of the Board**

"Chuck Rifici"  
Director

"Lorne Gertner"  
Director

## Buzz Capital Inc.

Unaudited Condensed Interim Statement of Loss and Comprehensive Loss  
For the Period from the Date of Incorporation (February 15, 2017) to June 30, 2017  
(in Canadian dollars)

	For the Period from the Date of Incorporation (February 15, 2017) to June 30, 2017	
<b>Expenses</b>		
Professional fees	\$	12,091
Filing fees	\$	15,590
<b>Net loss and comprehensive loss for the period</b>	<b>\$</b>	<b>(27,681)</b>
<b>Net loss per share – basic and diluted</b>	<b>\$</b>	<b>(0.00)</b>
<b>Weighted average shares outstanding</b>	<b>\$</b>	<b>4,000,000</b>

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

**Buzz Capital Inc.**

**Unaudited Condensed Interim Statement of Changes in Shareholders' Equity**  
**For the Period from the Date of Incorporation (February 15, 2017) to June 30, 2017**  
(in Canadian dollars)

---

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Deficit</b>	<b>Shareholders' Equity</b>
Balance February 15, 2017	-	\$ -	\$ -	\$ -
Share Subscription (Note 3)	4,000,000	200,000	-	200,000
Offering Costs	-	(5,894)	-	(5,894)
Net loss for the period	-	-	(27,681)	(27,681)
<b>Balance June 30, 2017</b>	<b>4,000,000</b>	<b>\$ 194,106</b>	<b>\$ (27,681)</b>	<b>\$ 166,425</b>

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

**Buzz Capital Inc.**  
**Unaudited Condensed Interim Statement of Cash Flows**  
**For the Period from the Date of Incorporation (February 5, 2017) to June 30, 2017**  
(in Canadian dollars)

---

2017

---

**Cash provided by (used in)**

**Operating**

Net Loss for the period	\$(27,681)
Change in prepaids	(12,000)
Change in accrued liabilities	12,091
<b>Cash used in operating activities</b>	<b>(27,590)</b>

---

**Financing**

Share subscription	200,000
Offering costs	(5,894)
Deferred financing costs	(5,650)
Due from Shareholder	2,500
<b>Cash provided from financing activities</b>	<b>190,956</b>

---

**Net change in cash** **163,366**

---

**Cash, end of period** **\$163,366**

---

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

## **Buzz Capital Inc.**

### **Notes to the Unaudited Condensed Interim Financial Statements**

June 30, 2017

---

#### **1. INCORPORATION AND NATURE OF OPERATIONS**

Buzz Capital Inc. (“the Company”) was incorporated under the *Canada Business Corporations Act* on February 15, 2017 and is in the process for applying for status as a Capital Pool Corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). On August 21, 2017, the Company announced that it had completed its initial public offering and that it was now defined as a Capital Pool Corporation. See note 6 for further details.

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The Company has not commenced operations and has no assets other than cash held in trust, prepaids and deferred financing costs. The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

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 up to the lesser of 30% of the gross proceeds realized by the Company, in respect of the sale of its securities, or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Company, as defined under the policies of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

The head office and the registered head office of the Company is located at 950 Gladstone Avenue, Suite 200, Ottawa, Ontario, K1Y 3E6.

On August 28, 2017, the Board of Directors approved the financial statements for the period from Date of Incorporation (February 15, 2017) to June 30, 2017.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement of Compliance**

These unaudited interim condensed financial statements, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The Company has not presented a statement of comprehensive loss for the three months ending June 30, 2017 as the results for the period from February 15, 2017 to June 30, 2017 are identical to that of the three month period ended June 30, 2017.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Accounting Standards issued but not yet applied**

Certain new mandatory standards, interpretations and amendments to existing standards, have been issued by the IASB or the IFRS Interpretations Committee ("IFRIC"), which the Company reasonably expects to be applicable for later periods are listed below. The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018. The Company anticipates that this standard will be adopted in the Company's financial statements for the year beginning January 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 9.

## **3. SHARE CAPITAL**

Authorized

Unlimited common shares

Issued

---

4,000,000 common shares	<b>\$ 200,000</b>
-------------------------	-------------------

---

### **Escrowed Shares**

During the period, the Company issued 4,000,000 common shares at \$0.05 per share for total proceeds of \$200,000.

The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

### **3. SHARE CAPITAL (continued)**

#### **Options**

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire 12 months thereafter.

Any shares issued upon exercise of the options prior to the Company entering into a Qualifying Transaction will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

The stock option plan is subject to regulatory approval.

No options have been granted or are outstanding as at June 30, 2017.

### **4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

#### **Capital Management**

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

The Company's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange policy 2.4.

#### **Risk Disclosures and Fair Values**

The Company's financial instruments, consisting of cash held in trust, accrued liabilities and due to shareholder, approximate fair value due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **5. RELATED PARTY TRANSACTIONS**

As at June 30, 2017 the Company is indebted to a person who is both a shareholder and director. This amount is reflected as due to shareholder on the financial statements.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the period ended June 30, 2017.

## **Buzz Capital Inc.**

### **Notes to the Unaudited Condensed Interim Financial Statements**

June 30, 2017

---

#### **6. SUBSEQUENT EVENTS**

##### **Filing of prospectus and Initial Public Offering**

On August 21, 2017, the Company completed its initial public offering (the "Offering") of 4,200,000 common shares at a purchase price of \$0.10 per common share for aggregate gross proceeds of \$420,000. During the period ended June 30, 2017, the Company incurred costs of \$14,139 directly related to the offering. These have been accounted for as deferred financing costs as at June 30, 2017.

Haywood Securities Inc. (the "Agent") acted as the agent for the initial public offering. In connection with the Offering, the Company granted to the Agent non-transferable options to acquire up to an aggregate of 420,000 common shares (the "Agent's Options"). Each Agent option is exercisable to acquire one common share at a price of \$0.10 for a period of 24 months from the date the Company's common shares are listed on the TSX Venture Exchange. In connection with the Offering, the Agent also received a cash commission equal to 10% of the aggregate gross proceeds from the sale of the common shares. The Company also paid a corporate finance fee of \$12,500 upon the closing of the Offering and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

##### **Stock Options**

Upon closing of the Offering, the Company issued 775,000 stock options to directors and officers. Each stock option entitles the holder to acquire one common share of the Company at an exercise price of \$0.10. The stock options expire 5 years from the date of grant.