Red River Capital Corp.

Condensed Interim Financial Statements

For the three months ended June 30, 2018
(Unaudited)

Red River Capital Corp.
Condensed Interim Statement of Financial Position
In Canadian Dollars
(Unaudited)

	Note		**As at June 30, 2018 (Unaudited)**		As at March 31, 2018 (Audited)
Assets					
Current					
Cash		$	105,166	$	105,186
Deferred financing costs	5		44,750		44,750
Total assets		$	149,916	$	149,936
Liabilities & Shareholder's Equity					
Current Liabilities					
Accounts payable and accruals		$	34,500	$	31,000
Shareholders' Equity					
Share capital	6	$	125,000	$	125,000
Deficit			(9,584)		(6,064)
Total shareholders' equity			115,416		118,936
Total liabilities and shareholders' equity		$	149,916	$	149,936

Subsequent event (Note 9)

Approved on behalf of the Board

"Julian Klymochko"	*"David McGoey"*
Director	**Director**

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

Red River Capital Corp.
Condensed Interim Statement of Operations and Comprehensive Loss
For the three months ended June 30,
In Canadian Dollars
(Unaudited)

		2018	2017
Expenses			
Professional fees	$	**3,500**	**-**
Loss and comprehensive loss	$	**3,500**	**-**
Loss per share *(Note 6)*			
Basic and Diluted	$	**(0.00)**	**-**

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

Red River Capital Corp.
Condensed Interim Statement of Changes in Equity
In Canadian Dollars
(Unaudited)

	Share Capital ($)	Deficit ($)	Shareholders' Equity ($)
As at March 31, 2017	125,000	(6,084)	118,916
Net loss	-	(3,500)	(3,500)
As at June 30, 2018	**125,000**	**(9,584)**	**115,416**

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

Red River Capital Corp.
Condensed Interim Statement of Cash Flows
For the three months ended June 30,
In Canadian Dollars
(Unaudited)

		2018
Cash provided by (used for) the following activities:		
Operating activities		
Net loss for the period	$	(3,500)
Items not affecting cash		
Net change in accounts payable	$	3,480
Cash used in operating activities		(20)
Decrease in cash		(20)
Cash, beginning of period		105,186
Cash, end of period	$	105,166

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

1. Incorporation and operations

Red River Capital Corp. (the "Company") was incorporated under the laws of the Province of Alberta on December 20, 2017 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules. The address of the registered office is 1900, 520 3rd Avenue SW Calgary, Alberta.

Where an acquisition or participation is warranted, additional funding may 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.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

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. This condensed interim financial report does not include all of the information required of a full audited financial report and it is therefore recommended that this report be read in conjunction with the financial statements for the period from December 20, 2017 (date of incorporation) to March 31, 2018.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 24, 2018

Basis of measurement

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

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.

3. Significant accounting policies

Changes in significant accounting policies

IFRS 9 *Financial Instruments:*

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models for debt instruments in IAS 39 – Financial Instruments – Recognition and Measurement (IAS 39) with a new 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 related dividends which will now limit recognition to fair value through profit or loss or at fair value through other comprehensive income.

Requirements for financial liabilities were also added in October 2010 but they largely carried forward existing requirements in IAS 39, 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.

The standard is required to be applied for years beginning on, or after, January 1, 2018. The Company has adopted this standard and concluded that there is a minimal impact on the interim and annual financial statements.

IFRS 15 *Revenue from Contracts with Customers:*

IFRS 15 replaces the previous guidance on revenue recognition and provides a framework to record revenue from contracts for the sale of goods or services, unless the contracts are in the scope of IAS 17 – Leases or other IFRS standards. Under IFRS 15, revenue is to be recognized to depict the transfer of goods or services in an amount that reflects the consideration to which the entity expects to be entitled following five steps:

1. Identify the contract with a customer

2. Identify the performance obligations in the contract

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations in the contract

5. Recognize revenue when (or as) the entity satisfies a performance obligation

The new standard is effective for annual periods beginning on or after January 1, 2018 The Company has adopted this standard and concluded that there is no impact on the interim and annual financial statements.

Recently issued accounting standards not yet applied

In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize all leases on the statement of Financial Position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted for companies that also applies IFRS 15 Revenue from Contracts with Customers.

The Company is currently evaluating the impact of the above standards on its financial statements.

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.

5. Deferred financing costs

Deferred financing costs, consisting of professional and agency fees, are incurred for the public offering (Note 9). They will be charged against share capital upon the issuance of the shares or written off if the public offering is not completed.

6. 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	**$**
At incorporation	**-**	**-**
Issued for cash (i)	**2,500,000**	**125,000**
As at June 30, 2018	**2,500,000**	**125,000**

i) All of the common shares issued are held in escrow until completion of a Qualifying Transaction. 10% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin and an additional 15% will be released on the issuance of the Final Exchange Bulletin and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. These common shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

Stock options

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 Option Plan shall not exceed 10% of the Common Shares of the Company issued and outstanding at the closing of the Company's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant. No options have been issued under the plan as at June 30, 2018.

7. 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 year end.

8. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. 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 fair value of cash is determined on level 1 inputs. The carrying amount of cash and accounts payable and accruals approximates their fair value due to the short-term maturities of these items.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

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 June 30, 2018, the Company has a cash balance of $105,166 to settle obligations of $34,500. 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.

8. Financial Interests (continued)

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 has cash balances and no interest-bearing debt

ii. Foreign currency risk

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

9. Subsequent event

The Company completed a public offering of 3,000,000 shares for gross proceeds of $300,000 on July 26, 2018. The net proceeds received by the Company were $258,675 after payment of fees related to the offering of $41,325. In addition, the Agent was granted the option to purchase up to 300,000 common shares at a price of $0.10 per Common Share. This option expires 24 months from July 26, 2018. The Company also granted share options to purchase an aggregate of 550,000 common shares at an exercise price of $0.10 per Common Share to the directors and officers of the Corporation, which expire five years from July 26, 2018.