Sanibel Ventures Corp.
(A Capital Pool Company)

Condensed Interim Financial Statements
For the three months ended June 30, 2019 and 2018
(Expressed in Canadian Dollars – Unaudited)

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Notice of no Auditor review of Interim Financial Statements

Under National Instrument 51-102, if an auditor has not performed a review of the condensed 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 of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these condensed interim 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.

SANIBEL VENTURES CORP.
(A Capital Pool Company)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)

	As at	
	June 30, 2019	**March 31, 2019**
	$	**$**
ASSETS		
Current		
Cash	160,751	199,493
Prepaid expenses	3,640	5,005
TOTAL ASSETS	164,391	204,498
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 3)	28,031	26,194
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	263,101	263,101
Reserves (Note 5)	31,548	31,548
Deficit	(158,289)	(116,345)
	136,360	178,304
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	164,391	204,498

Nature of operations (Note 1)

These condensed interim financial statements are authorized for issuance by the Board of Directors on August 15, 2019.

On behalf of the Board of Directors:

“Richard Silas”	“Jeffrey O’Neill”
Director	Director

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

SANIBEL VENTURES CORP.
(A Capital Pool Company)
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars – Unaudited)

	For the three months ended June 30, 2019	2018
	$	$
Expenses		
Bank charges	169	186
Office and related	954	4
Professional fees	7,319	6,936
Property investigation costs	32,000	-
Transfer and filing fees	2,203	3,448
	(42,645)	(10,574)
Other Item		
Interest income	701	-
Loss and comprehensive loss for the period	(41,944)	(10,574)
Basic and diluted loss per share	(0.02)	-
Weighted average number of common shares outstanding	2,011,545	-

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

SANIBEL VENTURES CORP.
(A Capital Pool Company)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars – Unaudited)

	For the three months ended June 30, 2019	2018
	$	$
Cash flows used in operating activities		
Net loss for the period	(41,944)	(10,574)
Changes in non-cash working capital items:		
Prepaid expenses	1,365	(9,777)
Accounts payable and accrued liabilities	1,837	3,792
	(38,742)	(16,559)
Net change in cash	(38,742)	(16,559)
Cash, beginning of the period	199,493	78,961
Cash, end of the period	160,751	62,402

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

SANIBEL VENTURES CORP.
(A Capital Pool Company)
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars – Unaudited)

	Number of Shares Issued	Share Capital	Reserves			Deficit	Total Shareholders' Equity
			Warrants	Share Options	Total		
		$	$	$	$	$	$
Balance at March 31, 2018	**2,000,000**	**100,000**	**-**	**-**	**-**	**(26,183)**	**73,817**
Net loss for the period	-	-	-	-	-	(10,574)	(10,574)
Balance at June 30, 2018	**2,000,000**	**100,000**	**-**	**-**	**-**	**(36,757)**	**63,243**
Proceeds from shares issued	2,000,000	200,000	-	-	-	-	200,000
Share issuance costs	-	(38,665)	2,120	-	2,120	-	(36,545)
Share-based compensation	-	-	-	30,040	30,040	-	30,040
Warrants exercised	11,545	1,766	(612)	-	(612)	-	1,154
Net loss for the period	-	-	-	-	-	(79,588)	(79,588)
Balance at March 31, 2019	**4,011,545**	**263,101**	**1,508**	**30,040**	**31,548**	**(116,345)**	**178,304**
Net loss for the period	-	-	-	-	-	(41,944)	(41,944)
Balance at June 30, 2019	**4,011,545**	**263,101**	**1,508**	**30,040**	**31,548**	**(158,289)**	**136,360**

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

1. NATURE OF OPERATIONS

Sanibel Ventures Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on October 24, 2017. On July 27, 2018, the Company completed its Initial Public Offering (the "Offering") to be classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. On August 1, 2018, the Company began trading its shares on the TSX-V under the trading symbol "SBEL.P". 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.

The Company's head office, principal address and registered and records office is located at 2080 – 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses within 24 months of listing on the TSX-V. Such a transaction will be subject to regulatory approval and may be subject to shareholder approval. There is no assurance that the Company will complete a transaction within twenty-four months from the date the Company's shares are listed on the TSX-V, at which time the TSX-V may suspend or de-list the Company's shares from trading.

The Company has not generated revenues from its operations to date. As at June 30, 2019, the Company has accumulated net losses of $158,289 since inception and has working capital of $136,360. Its continued existence will be dependent on equity financing on terms which are acceptable to the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these condensed interim financial statements.

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB").

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited financial statements of the Company for the year ended March 31, 2019.

These condensed interim financial statements for the three months ended June 30, 2019 were authorized by the Board of Directors for issuance on August 15, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES - (continued)

Basis of presentation

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

Significant estimates and assumptions

The preparation of the condensed interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant judgments

The preparation of the condensed interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

ii. The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood or utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

(Expressed in Canadian Dollars – Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES - (continued)

Financial instruments - (continued)

Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, 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.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the statement of financial position at amortized cost.

As at June 30, 2019, the Company did not have any derivative financial liabilities.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2019	March 31, 2019
	$	$
Accounts payable	13,266	11,025
Accrued liabilities	14,765	15,169
	28,031	**26,194**

4. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value.

Issued Shares

During the three months ended June 30, 2019:

The Company had no share activity.

During the year ended March 31, 2019:

On July 27, 2018, the Company completed its Offering of 2,000,000 common shares at a price of $0.10 per common share for gross proceeds of $200,000 pursuant to a prospectus dated June 15, 2018. The Company's agent engaged in connection with the Offering was paid a commission of $16,000, a Corporate Finance Fee of $8,400, and was reimbursed for its expenses of $12,145. The Company also granted 40,000 non-transferable warrants to its agent at a price of $0.10 per share for a period of 24 months. The finder's warrants were valued at $2,120 using the Black-Scholes pricing model with the following assumptions: estimated life of two years, risk-free rate of 2.05%, volatility of 100%, and nil forecasted dividend yield.

On August 7, 2018, the Company issued 11,545 common shares in connection with the exercise of 11,545 warrants with an exercise price of $0.10 for total proceeds of $1,154. As a result, the Company transferred $612 representing the fair value of the exercised warrants from reserves to share capital.

Escrow shares

As at June 30, 2019, the Company has 2,000,000 shares subject to escrow restrictions. The escrowed shares will be released from escrow in tranches over 36 months from the Company's completion of a QT and TSX-V approval.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended June 30, 2019 was based on the loss attributable to common shareholders of $41,944 and the weighted average number of common shares outstanding of 2,011,545.

Diluted loss per share did not include the effect of 2,000,000 escrowed shares, which are contingently returnable, outstanding stock options, and outstanding warrants as the effect would be anti-dilutive.

5. RESERVES

Stock options

The Company has a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. Vesting and term of the option is determined by the board of directors in accordance with the Plan and the policies of the TSX-V.

On July 27, 2018, the Company granted 400,000 five-year stock purchase options exercisable at $0.10 per option valued at $30,040 estimated using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk free interest rate of 2.19%, volatility of 100%, and nil forecasted dividend yield. All options vested immediately on grant.

(Expressed in Canadian Dollars – Unaudited)

5. RESERVES - (continued)

Stock options - (continued)

A summary of stock option activities is as follows:

	Number of options	Weighted average exercise price
		$
Balance, March 31, 2018	**-**	**-**
Granted	400,000	0.10
Balance, March 31 and June 30, 2019	**400,000**	**0.10**

A summary of the stock options outstanding and exercisable at June 30, 2019 is as follows:

Exercise Price	Number Outstanding and Exercisable	Expiry Date
$		
0.10	400,000	July 27, 2023

The weighted average life of the outstanding stock options is 4.08 years.

Warrants

A summary of share purchase warrant activities is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, March 31, 2018	**-**	**-**
Issued	40,000	0.10
Exercised	(11,545)	0.10
Balance, March 31 and June 30, 2019	**28,455**	**0.10**

A summary of the warrants outstanding and exercisable at June 30, 2019 is as follows:

Exercise Price	Number Outstanding	Expiry Date
$		
0.10	28,455	July 27, 2020

The weighted average life of the outstanding warrants is 1.08 years.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - (continued)

The fair value of the Company's accounts payable and accrued liabilities approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of 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:

(a) 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 has deposited its cash with a high credit quality financial institution as determined by rating agencies to mitigate any risk.

(b) Liquidity risk:
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

(c) 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. The Company is not exposed to market risk.

(d) Interest rate risk:
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

7. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

During the three months end June 30, 2019 and 2018, the Company did no pay any compensation to related parties.

8. CAPITAL DISCLOSURES AND MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction ("QT") as defined in TSX-V Policy 2.4. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.

As a CPC, the Company is subject to externally imposed capital requirements as outlined in the TSX-V Policy 2.4 and summarized below:

1) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a QT;
2) Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a QT;
3) No more than the lesser of $210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate a QT;
4) After the completion of its IPO and until the completion of a QT, a CPC may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

There were no changes in the Company's approach to capital management during the three months ended June 30, 2019.