DYNAMO CAPITAL CORP

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended July 31, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the six months ended July 31, 2019 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

Dynamo Capital Corp.
Condensed Interim Statements of Financial Position
As at July 31, 2019 and January 31, 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		July 31, 2019		January 31, 2019
ASSETS				
Current assets				
Cash	$	206,208	$	220,484
GST receivable		2,842		2,894
Total assets	$	209,050	$	223,378
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	22,529	$	6,025
Due to related party (Note 8)		95		95
		22,624		6,120
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		289,412		289,412
Reserves		44,000		44,000
Deficit		(146,986)		(116,154)
Total shareholders' equity		186,426		217,258
Total liabilities and shareholders' equity	$	209,050	$	223,378

Nature and continuance of operations – Note 1

APPROVED ON BEHALF OF THE BOARD:

"Geoff Balderson"	Director	***"Stephen Ross Gatsenbury"***	Director
Geoff Balderson		Stephen Ross Gatsenbury	

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

Dynamo Capital Corp.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three and six months ended July 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended July 31, 2019	Three months ended July 31, 2018	Six months ended July 31, 2019	Six months ended July 31, 2018
Administrative expenses				
Bank charges	$ 43	$ 43	$ 61	$ 209
Consulting fees	1,500	2,500	3,000	4,000
Filing fees	2,967	14,901	8,167	14,901
Professional fees	3,510	14,735	7,510	17,571
Transfer agent	-	-	6,094	-
Rent	3,000	3,000	6,000	6,000
Total comprehensive loss for the period	$ (11,020)	$ (35,179)	$ (30,832)	$ (42,681)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding	2,500,000	-	2,500,000	-

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

Dynamo Capital Corp.
Condensed Interim Statements of Changes in Shareholders' Equity
As at July 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, January 31, 2018	2,000,000	$ 100,000	$ -	$ (3,411)	$ 96,589
Loss and comprehensive loss for the period	-	-	-	(42,681)	(42,681)
Balance, July 31, 2018	2,000,000	100,000	-	(46,092)	53,908
Cash					
Initial Public Offering (Note 5)	2,500,000	250,000	-	-	250,000
Share issue cost	-	(48,088)	-	-	(48,088)
Agent's warrants	-	(12,500)	12,500	-	-
Share-based payments	-	-	31,500	-	31,500
Loss and comprehensive loss for the period	-	-	-	(70,062)	(70,062)
Balance, January 31, 2019	4,500,000	289,412	44,000	(116,154)	217,258
Loss and comprehensive loss for the period	-	-	-	(30,832)	(30,832)
Balance, July 31, 2019	4,500,000	$ 289,412	$ 44,000	$ (146,986)	$ 186,426

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

Dynamo Capital Corp.
Condensed Interim Statement of Cash Flows
For the six months ended July 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the six months ended July 31,			
		2019		**2018**
CASH FLOWS PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Loss for the period	$	(30,832)	$	(42,681)
Change in non-cash working capital item:				
GST receivable		52		(1,241)
Prepaid expenses		-		(21,050)
Accounts payable and accrued liabilities		16,504		15,523
Net cash used in operating activities		(14,276)		(49,449)
FINANCING ACTIVITY				
Due to related party		-		(405)
Net cash provided by financing activity		-		(405)
Change in cash for the period		(14,276)		(49,854)
Cash and cash equivalents, beginning of period		220,484		99,994
Cash and cash equivalents, end of period	$	206,208	$	50,140
Cash and cash equivalents				
Cash	$	206,208	$	40,140
Cash held in trust		-		10,000
Cash and cash equivalents	$	206,208	$	50,140
Cash paid for interest during the period	$	-	$	-
Cash paid for income taxes during the period	$	-	$	-

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

1 Nature and continuance of operations

Dynamo Capital Corp. (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on January 18, 2018. The Company completed an Initial Public Offering ("IPO") on September 12, 2018 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. On September 17, 2018, the Company commenced trading under the trading symbol DDD.P.

The Company's head office and registered and records office address is Suite 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. The statements of financial position of the Company is presented in Canadian dollars, which is the functional currency of the Company.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business with 24 months of listing on the TSX-V. Any acquisition or investment proposed by the Company will be subject to regulatory approval. The above material uncertainty raises significant doubt about the Company's ability to continue as a going concern.

2 Basis of preparation

Statement of Compliance

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

The condensed interim financial statements were authorized for issue by the Board of Directors on September 23, 2019.

Basis of Measurement

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgements made by management in the application of IFRS.

3 Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at January 31, 2019. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2019.

The following standards will be adopted effective February 1, 2019:

IFRS 16 Leases

IFRS 16 *Leases* replaced IAS 17, Lease effective for annual periods commencing on or after January 1, 2019. The new model requires the recognition of lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

The Company has determined that the adoption of IFRS 16 has had no impact on its financial statements.

4 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year is a judgment. The factors considered by management are disclosed in Note 1.

5 Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

There were no shares issued during the six months ended July 31, 2019.

During the year ended January 31, 2019:

On September 12, 2018, the Company closed its Initial Public Offering ("IPO") of 2,500,000 common shares at $0.10 per share for gross proceeds of $250,000. The Company paid the Agent a cash commission of $25,000 and issued to the Agents broker warrants to purchase 250,000 common shares at $0.10 per share until September 16, 2020. The Company recorded a fair value of the agent's warrants of $12,500 utilizing the Black-Scholes option pricing model with the following assumptions – Share price on grant date of $0.10; Risk-free interest rate of 2.19%; Dividend yield of Nil; Expected volatility of 100%; Expected life of 2 years and forfeiture rate of 0%. The Company also paid the Agent a corporate finance fee of $10,000 plus GST and paid expenses related to the offering, including legal fees and disbursements totalling $13,088.

c) Escrow Agreement

The 2,000,000 shares issued on January 31, 2018 are to be held in escrow. Under the escrow agreement, 10% of the shares will be released on the issuance of the Final Exchange Bulletin (the Exchange's acceptance of the Qualifying Transaction) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. As these shares are considered contingently issuable until the Company completes the qualifying transaction, they are not considered to be outstanding shares for the purposes of loss per share calculations. Consequently, basic and diluted loss per share and weighted average number of shares disclosures have not been provided.

(Expressed in Canadian Dollars)

5 Share Capital – (cont'd)

d) Stock Option

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of five years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

On September 10, 2018, the Company granted stock options to directors and officers of the Company for the right to purchase 450,000 common shares at a price of $0.10 per share exercisable to September 16, 2023. These stock options vest immediately at the date of grant. The Company recorded share-based payment of $31,500 on these stock options. The fair value of the options was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.10; Risk-free interest rate of 2.32%; Dividend yield of NIL; Expected volatility of 100%; Expected life of 5 years and forfeiture rate of 0%. Volatility was determined based on comparison to similar companies as the Company does not have enough history.

Details of stock options activities for the six months ended July 31, 2019 and for the year ended January 31, 2019 is as follows:

	Number of options	**Weighted Average Exercise Price**
Balance, January 31, 2018	-	-
Granted	450,000	$0.10
Balance outstanding, January 31, 2019 and July 31, 2019	450,000	$0.10

The weighted average remaining life of the 450,000 stock options is 4.13 years.

As at July 31, 2019, the Company had 450,000 stock options outstanding exercisable at $0.10 per share expiring on September 16, 2023.

(Expressed in Canadian Dollars)

5 Share Capital – (cont'd)

e) Agent's Warrants

Details of agents warrants activities for the six months ended July 31, 2019 and for the year ended January 31, 2019 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2018	-	-
Issued	250,000	$0.10
Balance, January 31, 2019 and July 31, 2019	250,000	$0.10

The weighted average remaining life of the 250,000 Agents warrants is 1.13 years.

As at July 31, 2019, there were 250,000 Agents warrants exercisable at $0.10 per share expiring on September 16, 2020.

f) Reserves

The Company's equity reserves are comprised of share-based payments and fair value of agents warrants.

6 Financial Instruments

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

6 Financial Instruments – (cont'd)

The Company's financial instruments are exposed to certain financial risks which are in common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

General Objectives, Policies and Processes

The Board of Directors have overall responsibility for the determination of the Company's risk management objectives and policies and have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors are kept apprised on the process and would monitor the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and due to related party that are denominated in a foreign currency. As at July 31, 2019, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

(Expressed in Canadian Dollars)

7 Capital Management

Capital is comprised of the Company's shareholders' equity. As at July 31, 2019, the Company's shareholders' equity was $186,426 and there was no long term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital.

The proceeds from the issuance of share capital raised by the Company, both prior to the Company's IPO and from the IPO itself, may only be used to identify and evaluate assets or businesses for future investments, with the lesser of 30% of the gross proceeds 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 policies of the Exchange.

8 Related Party Transactions

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

		For the six months ended July 31,			
	Relationship		**2019**		**2018**
Rent					
Harmony Corporate Services Ltd.	Company controlled by Geoff Balderson, CEO	$	6,000	$	6,000
		$	6,000	$	6,000

Included in due to related party at July 31, 2019, is $95 (January 31, 2019: $95) owed to Geoff Balderson, CEO of the Company for reimbursements of expenses. The amount is unsecured, non-interest bearing and payable on demand.

Key management personnel compensation

The Company considers its President, Chief Executive Officer, Chief Financial Officer, and the directors of the Company to be key management. During the six months ended July 31, 2019, there were no compensations paid except for the above noted transactions.