

**BB1 ACQUISITION CORP.**  
**Condensed Interim Financial Statements**  
**For the Periods Ended March 31, 2020 and 2019**  
**Expressed in Canadian Dollars**

**NOTICE TO READER**

BB1 Acquisition Corp. is re-filing its interim financial report for the quarter ended March 31, 2020 (the “**Report**”) to reflect certain changes and adjustments, summarized below. The corrections do not affect or change the results reflected in the Report. All errors listed below were a result of oversight.

- Cash balance on page 1 was changed from \$810,530 to \$741,763 as previously reported in the 2019 audited financial statement.
- Accounts payable and accrued liability balance on page 1 was changed from \$42,008 to \$13,971 as previously reported in the 2019 audited financial statement.
- Deficit on page 1 was changed from \$116,737 to \$157,467 as previously reported in the 2019 audited financial statement.
- Total shareholders' equity on page 1 was changed from \$768,522 to \$727,792 as previously reported in the 2019 audited financial statement.
- Total liabilities and shareholders' equity on page 1 were changed from \$810,530 to \$741,763 as previously reported in the 2019 audited financial statement.

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.*

**BB1 Acquisition Corp.**  
**Condensed Interim Statement of Financial Position**  
(In Canadian Dollars)  
**As at**

	March 31, 2020 \$	December 31, 2019 \$
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 728,532	\$ 810,530
	\$ 728,532	\$ 810,530
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (note 8)	\$ 7,471	\$ 42,008
<b>Shareholders' Equity</b>		
Share capital (note 3)	813,259	813,259
Warrants (note 4)	27,000	27,000
Contributed Surplus (note 5)	45,000	45,000
Deficit	(164,198)	(116,737)
	721,061	768,522
	\$ 728,532	\$ 810,530

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

Nature of operations and going concern (note 1)

**APPROVED BY THE BOARD**

*“Stephen Shefsky”*

\_\_\_\_\_  
**Stephen Shefsky**  
Director

*“Mark Brennan”*

\_\_\_\_\_  
**Mark Brennan**  
Director

**BB1 Acquisition Corp.**  
**Condensed Interim Statement of Loss and Comprehensive Loss**  
(In Canadian Dollars)  
**For the Periods Ended**

	March 31, 2020	March 31, 2019
	\$	\$
<b>Expenses</b>		
Professional fees	3,500	25,233
Filing fees	-	8,619
Transfer agent fees	1,109	2,188
Office and general	2,122	1,051
<b>Net loss and comprehensive loss for the period</b>	<b>(6,731)</b>	<b>(37,091)</b>
<b>Net loss per share – basic and diluted</b>	<b>0.01</b>	<b>0.01</b>
<b>Weighted average shares outstanding- basic and diluted</b>	<b>5,000,000</b>	<b>5,000,000</b>

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

**BB1 Acquisition Corp.**  
**Condensed Interim Statement of Cash Flows**  
(In Canadian Dollars)  
**For the Periods Ended**

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	March 31, 2020	March 31, 2019
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	(6,731)	(37,091)
Net Change in non-cash working capital		
Accounts payable and accrued liabilities	(6,500)	22,128
<b>Net change in cash</b>	<b>(13,231)</b>	<b>(14,963)</b>
<b>Cash, beginning of the period</b>	<b>741,763</b>	<b>825,493</b>
<b>Cash, end of the period</b>	<b>728,532</b>	<b>810,530</b>

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

**BB1 Acquisition Corp.**  
**Condensed Interim Statement of Changes in Equity**

(In Canadian Dollars)

For the Periods Ended March 31, 2020 and 2019

	Number of Shares	Share Capital	Contributed Surplus	Warrants	Deficit	Shareholders' Equity
<b>Balance, December 31, 2019</b>	15,000,000	\$ 813,259	\$ 45,000	\$ 27,000	\$ (157,467)	\$ 727,792
Net loss for the period	-	-	-	-	(6,731)	(6,731)
<b>Balance, March 31, 2020</b>	<b>15,000,000</b>	<b>\$ 813,259</b>	<b>\$ 45,000</b>	<b>\$ 27,000</b>	<b>\$ (164,198)</b>	<b>\$ 721,061</b>

	Number of Shares	Share Capital	Contributed Surplus	Warrants	Deficit	Shareholders' Equity
<b>Balance, December 31, 2018</b>	15,000,000	\$ 813,259	\$ 45,000	\$ 27,000	\$ (79,646)	\$ 805,613
Net loss for the period	-	-	-	-	(37,091)	(37,091)
<b>Balance, March 31, 2019</b>	<b>15,000,000</b>	<b>\$ 813,259</b>	<b>\$ 45,000</b>	<b>\$ 27,000</b>	<b>\$ (116,737)</b>	<b>\$ 768,522</b>

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

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**1. INCORPORATION AND NATURE OF BUSINESS**

BB1 Acquisition Corp. (the "Corporation" or "BB1") was incorporated on March 2, 2018 under the Ontario Business Corporation. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of a 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.

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

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 Corporation in respect of the sale of its securities or \$150,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

The head office and the registered head office of the Corporation is located at 110 Yonge Street, Suite 501, Toronto, Ontario M5C 1T4.

On October 21, 2020, the Board of Directors approved the financial statements for the period ended March 31, 2020.

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements of the Company were prepared in accordance with IFRS as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim financial reporting. These condensed interim financial statements do not include all the information required for the full annual financial statements and should be read in conjunction with the most recent audited annual financial statements of the Company as at and for the year December 31, 2019. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The policies set out below were consistently applied to all the periods presented unless otherwise noted below

**Statement of Compliance**

The significant accounting policies applied in the Corporation's financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") effective as of March 31, 2020.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Basis of Measurement**

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss.

These condensed interim financial statements are presented in Canadian dollars, which is also the Corporation's functional currency.

**Financial Instruments**

IFRS 9 includes requirements for recognition and measurement, impairment, derecognition, and general hedge accounting. Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). Financial liabilities are classified in the following measurement categories: fair value through profit or loss, or amortized cost.

Financial assets

The Corporation's sole financial asset is cash. Cash is measured at amortized cost and changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur.

*Amortized Cost*

Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

*Fair value through profit or loss*

Financial assets classified as FVTPL are measured at fair value with changes in fair value recognized in net profit or loss.

*Classification*

The Corporation determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not classified as FVTPL, directly attributable transaction costs.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Financial Instruments (continued)**

*Impairment of financial assets*

Financial assets not measured at FVTPL are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the financial assets, have had a negative effect on the fair value or estimated future cash flows of an asset. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Financial liabilities

Financial liabilities comprise accounts payable and accrued liabilities and are classified at amortized cost. Under this classification, all cash flows from these instruments are discounted, where material, to their present value. Over time, this present value is accreted to the future value of remaining cash flows, and this accretion is recorded as interest expense.

The Corporation settles its accounts payable and accrued liabilities on a short-term basis and, therefore, the discounting and accretion of these financial liabilities are immaterial for the periods reported.

*Amortized Cost*

Financial liabilities measured at amortized cost, include borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities measured at amortized cost are subsequent measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

*Derecognition of Financial Liabilities*

The Corporation de-recognizes financial liabilities when the obligations are discharged, cancelled, or expire.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Financing costs**

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

**Share-based compensation**

The Corporation offers a share option plan for its directors, officers, employees and selected consultants. The stock option plan allows the Corporation's employees and consultants to acquire shares of the Corporation. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each period end, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

**Deferred taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous year.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the consumption of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in equity depending on the item to which the adjustment relates.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
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**For the Periods Ended March 31, 2020 and 2019**

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**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Deferred taxes (continued)**

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**Loss earnings per share**

Basic loss earnings per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period which excludes shares held in escrow.

Diluted loss per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Corporation at their average market price for the period.

In periods that the Corporation reports a net loss, stock options are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

**Significant Accounting Judgements and Estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

**Valuation of share-based compensation**

The Corporation uses the Black-Scholes option pricing model to determine the fair value of employee stock options. This model requires assumptions of the expected future price volatility of the Corporation's common shares, expected life of options, future risk-free interest rates and the dividend yield of the Corporation's common shares.

**Foreign Currency**

The condensed interim financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**New standards and interpretations**

The following new accounting standards and interpretations have been published and applied in the preparation of these condensed interim financial statements:

*IFRS 16, Leases*

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019. There was no material impact on the condensed interim financial statements as a result of the adoption of this amendment.

*IFRIC 23 Uncertainty Over Income Tax Treatments*

IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If any entity concludes it is probably that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistent with the tax treatment used or planned to be used in its income tax filings. If any entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 will be effective for annual periods beginning on or after January 1, 2019. There was no material impact on the condensed interim financial statements as a result of the adoption of this amendment.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**3. SHARE CAPITAL**

- (a) **Authorized** - Unlimited common shares, with no par value  
(b) **Issued** – 15,000,000 common shares

	#	\$
Balance, March 2, 2018	-	-
Shares Issued in seed round financing <sup>(i)</sup>	10,000,000	500,000
Share issue costs (i)	-	(23,147)
Shares issued in connection with IPO <sup>(ii)</sup>	5,000,000	500,000
Share issue costs (ii)	-	(163,594)
<b>Balance, December 31, 2019 and March 31, 2020</b>	<b>15,000,000</b>	<b>813,259</b>

- (i) In July 2018, the Corporation closed by way of a non-brokered private placement offering (the "Offering") 10,000,000 common shares in the capital of the Corporation at the price of \$0.05 per Common Share for gross proceeds of \$500,000. In connection with the Offering the Corporation paid \$23,147 in share issuance costs.
- (ii) On October 5, 2018, the Corporation issued 5,000,000 common shares at a price of \$0.10 per share pursuant to its Initial Public Offering ("IPO"). The proceeds of the Offering will be used by the Corporation to fund its search for a Qualifying Transaction within 24 months of the IPO. In consideration of services performed by the agent, the Corporation paid cash commission of 10% of the gross proceeds of the offering and reimbursed the agent for necessary and reasonable expenses. The agent was paid an administration fee of \$15,000 upon closing of the offering. The Corporation also granted Agent's Warrants to purchase up to 10% of the gross proceeds of the offering at a price of \$0.10 per common share. The Agent's warrants will be exercisable for a period of 24 months from the date of listing of the common shares on the TSX-V (Note 4). In connection with the IPO, the Corporation incurred \$163,594 in share issuance costs.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**3. SHARE CAPITAL (continued)**

**Escrowed Shares**

The Corporation issued 10,000,000 common shares at \$0.05 per share for total proceeds of \$500,000.

Subject to an Escrow Agreement pursuant to the requirements of the Exchange, 10,100,000 common shares issued in July 2018 was held in escrow. Under the terms of the Escrow Agreement, these shares will be released as to 10% thereof on the completion of the Corporation's QT, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

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

All common shares of the Corporation acquired in the secondary market prior to the completion of a QT 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 Corporation held by principals of the resulting issuer will also be subject to escrow.

**4. WARRANT RESERVE**

	Number	Amount
	#	\$
Balance, March 2, 2018	-	-
Agent Warrants issued <sup>(i)</sup>	500,000	27,000
<hr/>		
<u>Balance, December 31, 2019, and March 31, 2020</u>	<u>500,000</u>	<u>27,000</u>

- (i) In connection with the IPO (Note 3 (ii)), the agent received 500,000 agent's warrants which entitle the holder to purchase one common share of the Corporation at a price of \$0.10 expiring on November 30, 2020. The estimated fair value of the finder's warrants of \$27,000 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.16% and an expected life of 2 years.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**5. SHARE-BASED COMPENSATION**

On July 12, 2018, the Corporation established a stock option plan for its directors, officers and technical consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

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

Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

On November 30, 2018, the Corporation granted an aggregate of 600,000 stock options to employees, consultants and management exercisable at \$0.10 per share exercisable up to November 30, 2023. The options are vested immediately. The estimated fair value of the options granted of \$45,000 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.16% and an expected life of 5 years.

The Company has the following share options outstanding at March 31, 2020:

Estimated Grant Date Fair Value \$	Outstanding Options #	Options Exercisable #	Exercise Price \$	Expiry Date
45,000	600,000	600,000	0.10	November 30, 2023

The weighted average remaining contractual life of the stock options exercisable at March 31, 2020 was 3.67 years

**6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Capital Management**

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of issued common shares, in the definition of capital.

The Corporation'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 Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
(In Canadian Dollars)  
**For the Periods Ended March 31, 2020 and 2019**

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**6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Risk Disclosures and Fair Values**

The Corporation's financial instruments carried at amortized cost, consisting of accounts payable and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

These condensed interim financial statements include balances and transactions with directors and officers of the Company and/or corporations related to them.

During the three-month period ended March 31, 2020, the Corporation incurred \$Nil (March 31, 2019 - \$22,358) in legal fees for services provided by a law firm whose partner is a director of the Corporation. As of March 31, 2020 the Company accrued a total of \$1,822 (March 31, 2019 - \$22,358) in connection with legal services provided by this firm.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the period ended March 31, 2020.

**8. BUSINESS COMBINATION**

On August 16, 2019, the Corporation entered into a definitive share exchange agreement (the "Definitive Agreement") with PlantExt Ltd. ("PlantExt"), pursuant to which PlantExt and BB1 were to effect a transaction that would result in a reverse takeover of BB1 by the shareholders of PlantExt (the "PlantExt Shareholders") (the "Transaction"). It was the intention of the parties that the corporation resulting from the Transaction (the "Resulting Issuer") would continue the business of PlantExt, and that the common shares of the Resulting Issuer would be listed and posted for trading on the Exchange. BB1 intended that the Transaction will constitute its Qualifying Transaction, as such term is defined in Policy 2.4 of the Exchange.

On January 24, 2020, the Corporation announced the termination of its proposed three-cornered amalgamation (the "PlantExt Transaction") with PlantExt.

The terms of the share exchange agreement between the parties effective as of August 16, 2019, (the "**Share Exchange Agreement**"), have now expired due to the inability of the parties to close the PlantExt Transaction before December 31, 2019 and the Share Exchange has automatically terminated. In accordance with the Share Exchange Agreement, PlantExt will reimburse the Corporation an aggregate of \$126,467 for costs and expenses (capped at \$125,000) incurred by BB1 in connection with the terminated PlantExt Transaction.

**BB1 Acquisition Corp.**  
**Notes to the Condensed Interim Financial Statements**  
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**For the Periods Ended March 31, 2020 and 2019**

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**9. SUBSEQUENT EVENTS**

**BB1 and Cerrado Gold Inc. Letter of Intent (the "LOI").**

On August 4, 2020, the Company and Cerrado Gold Inc. ("Cerrado") announced that they have entered into a binding Letter of Intent (the "LOI"). The LOI sets forth the general terms and conditions of a proposed transaction (the "Transaction") pursuant to which BB1 will acquire all of the issued and outstanding shares of Cerrado. The Transaction will constitute a "Qualifying Transaction" of BB1, as such term is defined in Policy 2.4 of the Corporate Finance Manual (the "Policy") of the TSX Venture Exchange (the "TSXV"). The LOI is to be superseded by a definitive agreement (the "Definitive Agreement") between BB1 and Cerrado with such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature. Completion of the proposed transaction is subject to a number of conditions including, but not limited to: (i) completion of mutually satisfactory due diligence reviews; (ii) execution of the Definitive Agreement; (iii) requisite shareholder approvals; and (iv) receipt of all requisite regulatory approvals relating to the Transaction, including, without limitation, the TSXV.

**Cerrado Private Placement – first tranche**

On August 27, 2020, BB1 and Cerrado announced that Cerrado has completed the first tranche of a brokered private placement (the "Offering") of special warrants ("**Special Warrants**") for aggregate gross proceeds of approximately US\$5,352,000.

The Offering has been completed in connection with the proposed business combination (the "Transaction") between Cerrado and BB1. Under the Offering, Cerrado issued an aggregate of 6,690,000 Special Warrants at a price of US\$0.80 per Special Warrant.

In the event that the Transaction has not occurred prior to 4:00 p.m. (Toronto time) on the date which is 180 days following the date of closing of the Offering, each unexercised Special Warrant will be deemed exercised and will automatically be exchanged for 1.1 Cerrado Shares without further payment or action by the holder thereof.

**Cerrado Private Placement – second tranche**

On September 14, 2020, BB1 and Cerrado announced that Cerrado has completed the second and final tranche of a brokered private placement of Special Warrants for aggregate gross proceeds of approximately US\$1,724,000. Total funds raised under the first and second tranche of the Offering were US\$7,076,600.

The Offering has been completed in connection with the Transaction between Cerrado and BB1.

Under the second tranche of the Offering, Cerrado issued an aggregate of 2,155,000 Special Warrants at a price of US\$0.80 per Special Warrant.

In the event that the Transaction has not occurred prior to 4:00 p.m. (Toronto time) on the date which is 180 days following the date of closing of the Offering, each unexercised Special Warrant will be deemed exercised and will automatically be exchanged for 1.1 Cerrado Shares without further payment or action by the holder thereof.