Financial Statements
(Expressed in Canadian dollars)

TIMELESS CAPITAL CORP.

(A Capital Pool Corporation)

For period ending September 30, 2020

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, “Continuous Disclosure Obligations”, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements a notice indicating that the financial statements have not been reviewed by an auditor must accompany the interim financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and are the responsibility of the Company’s management. The Company’s independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an
entity’s auditors.

TIMELESS CAPITAL CORP.

Statements of Financial Position
As at:

	September 30 2020 (Unaudited)	September 30, 2019 (Unaudited)
Assets		
Current assets:		
Cash held in Trust	172,278	295,777
Prepaid Expenses	7,220	-
Total Assets	179,498	295,777
Liabilities and Shareholder's Deficiency		
Accounts payable and accrued liabilities	-	-
	-	-
Shareholder's equity: Share capital (note 4)	454,059	454,059
Deficit	(310,553)	(194,273)
Contributed Surplus	35,992	35,992
	179,498	295,777
Total Liabilities & shareholders Equity	179,498	295,777

See accompanying notes to financial statements.

Approved on behalf of the Board:

"signed" Fahim Gadallah Director "signed" Colin Gayford Director

November 21, 2020

TIMELESS CAPITAL CORP.

Statements of Operations and Comprehensive Loss

Period from July 1st to:		September 30, 2020	September 30, 2019
Expenses:			
Professional and public company fees	$	16,237	29,993
Loss for the period	$	16,237	-

Net Loss per share:		
Basic	$	0.00
Diluted	$	0.00

November 30, 2020

TIMELESS CAPITAL CORP.

Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

Period ending September 30, 2020

	Number of shares	Share capital	Deficit	Contributed surplus	Shareholders' equity
Balance July 1, 2020	7,000,000	$ 454,059	$ (294,316)	$ 35,992	$ 242,101
Share subscription (note 3)	-	-	-	-	-
Initial public offering (note 3)	-	-	-	-	-
Cost of issuance-share based compensation	-	-		-	-
Cost of issuance-cash	-	-	-	-	-
Share based compensation	-	-	-	-	-
Net Loss for the period	-	-	(16,237)	-	-
Balance September 30, 2020	7,000,000	$ 454,059	$ (310,553)	$ 35,992	$ 242,101

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

TIMELESS CAPITAL CORP.

Statement of Cash Flows
(Expressed in Canadian dollars)

Period ending September 30, 2020

Cash provided by (used in):

Operations:		
Net Loss for the period		(16,237)
Share-based compensation		-
Change in non-cash working capital items		
Prepaid expenses		3,609
Accounts payable and accrued liabilities		
		(12,628)
Financing:		
Issuance of shares, net of cash issuance costs		-
		-
Net change in cash		(12,628)
Cash, beginning of period		184,906
Cash, end of period	$	172,278

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

1. 1. Incorporation and nature of operations:

Timeless Capital Corp. (the "Corporation"), was incorporated under the Canada Business Corporations Act on August 2, 2018 and is classified as a Capital Pool Corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). On October 29, 2018, the Corporation announced that it had completed its Initial Public Offering and that it was now defined as a Capital Pool Corporation trading under the symbol "TLC.P".

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 operations and has no assets other than cash held in trust and prepaid expenses. The Corporation'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 Corporation, 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 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 1900, 520 – 3rd Avenue SW, Calgary, Alberta, T2P 0R3.

2. Basis of presentation:

(a) Statement of compliance:

These consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorized for issue by the Board of Directors on November 25th, 2020.

2. Basis of presentation (continued):

(b) Basis of preparation:

The consolidated financial statements comprise the financial statements of the Corporation and its wholly-owned subsidiary, 1219915 B.C. Ltd.

The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional and reporting currency.

The consolidated financial statements are prepared on a historical cost basis. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

(c) Use of estimates and judgments:

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

3. Significant accounting policies:

(a) Cash held in trust:

Cash held in trust represents cash held by external legal counsel on behalf of the Corporation for issuance of shares.

(b) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(c) Financial instruments:

i) Recognition:

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

3. Significant accounting policies (continued):

(c) Financial instruments (continued):

ii) Classification:

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications: Cash held in trust is measured at amortized cost and accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate

iii) Measurement:

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset tor financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

3. Significant accounting policies (continued):

(d) Income taxes:

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

(e) Basic and diluted loss per share:

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Common shares escrowed pursuant to the requirements of the Exchange are excluded from the number of outstanding common shares.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

(f) Share-based compensation:

Equity-settled share based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. Share options are measured at the fair value of each tranche on the grant date and are recognized in their respective vesting period using the Corporation’s expected forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

(Expressed in Canadian dollars)

3. Significant accounting policies (continued):

(g) Changes in accounting policies:

IFRS 16 *Leases* ("IFRS 16") sets out a new model for lease accounting, replacing IAS 17. The new standard recognizes the initial present value of unavoidable future lease payments as right-of-use assets and lease liabilities on the statement of financial position, including those for most leases that were previously accounted for as operating leases.

At inception of a contract, the Company assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets are initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations. There was no material impact as a result of the adoption of IFRS 16 on the Company's financial statements.

4. Share capital:

(a) Authorized:
Unlimited common shares

(b) Issued:

	Number of shares		Amount
4,000,000 common shares (*i*)	4,000,000	$	200,000
3,000,000 common shares (*ii*)	3,000,000		300,000
	7,000,000		500,000
Share issuance costs	-		(45,941)
Balance, December 31, 2019 and December 31, 2018	7,000,000	$	454,059

(*i*) Escrowed shares:

During the period ended December 31, 2018, the Corporation issued 4,000,000 common shares at $0.05 per share for total proceeds of $200,000.

The 4,000,000 issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange in accordance with the Escrow Agreement.

4. Share capital (continued):

(*i*) Escrowed shares (continued):

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. As a result, the escrow shares have not been contemplated in the weighted-average shares outstanding calculation.

Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “Initial Release”) 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.

All common shares of the Corporation 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 Corporation held by principals of the resulting issuer will also be subject to escrow.

(b) Issued:

(*ii*) Initial public offering:

On October 29, 2018, the Corporation completed its Initial Public Offering (“IPO”) of 3,000,000 common shares at $0.10 per share ($300,000). The Corporation entered into an agreement with Industrial Alliance Securities Inc. (the “Agent”) to raise $300,000 in connection with the Corporation’s IPO. The Corporation paid a commission of 10% of gross proceeds to the Agent, and granted the Agent warrants to acquire 10% of the common shares issued in the offering exercisable for a period ending twenty-four months from the date the Corporation’s Common Shares are listed on the TSX Venture Exchange, exercisable at $0.10 per share.

(c) Options:

The Corporation has established a stock option plan for its directors, officers and 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. They 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 one year thereafter.

4. Share capital (continued):

(Expressed in Canadian dollars)

(c) Options:

The following table reflects the continuity of stock options:

	Number of stock options and warrants	Weighted average exercise price ($)
Warrants granted to Agent (*i*)	300,000	$ 0.10
Options granted to directors and officers (*ii*)	266,666	0.10
Balance, December 31, 2019 and and December 31, 2018	566,666	$ 0.10

(*i*) On October 29, 2018, the Corporation granted 300,000 warrants to the Agent, which are exercisable within two years from the date of grant at an exercise price of $0.10 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.27%, expected volatility of 100% and an expected life of two years. The value attributed to these options was $15,941.

(*ii*) On October 29, 2018, the Corporation granted 266,666 options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of $0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.39%, expected volatility of 100% and an expected life of five years. The value attributed to these options was $20,051 and was fully expensed in the three months ended December 31, 2018.

The following table reflects the options issued and outstanding as at September 30, 2019:

Expiry date	Exercise price	Weighted average remaining contractual life (years)	Number of options and contractual options/warrants outstanding	Number of warrants vested (exercisable)
October 29, 2020	$ 0.10	1.04	300,000	300,000
October 29, 2023	$ 0.10	4.03	266,666	266,666
	$ 0.10	2.45	566,666	566,666

5. Financial risk management objectives and policies:

(Expressed in Canadian dollars)

(a) 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 share capital 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.

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 Corporation. These restrictions apply until completion of a Qualifying Transaction by the

(b) Risk disclosures and fair values:

The Corporation's financial instruments, consisting of cash held in trust 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.

6. Related party transactions:

There were no other transactions with related parties and no remuneration was paid to key management personnel during the year other than the stock-based compensation issued to directors and officers of the Corporation (note 4).

7. Income taxes:

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 27% (2018 – 26,5%)and the Corporation’s effective income tax expense is as follows:

	2019	2018
Net loss for the period	$ (111,974)	$ (135,976)
Expected income tax recovery	(30,233)	(36,034)
Permanent differences	-	5,313
Deferred tax assets not recognized	30,233	30,721
Income tax recovery	-	$ -

At December 31, 2019, the Corporation had non-capital loss for income tax purposes of approximately $247,950 (2018 - $115,925) which can be carried forward to be applied against future taxable income. These losses expire to the extent unutilized against future taxable income in 2039.

The Corporation has not recorded deferred tax assets related to these unused carry forward losses and share issuance costs as it is not probable that future taxable profits will be available against which these can be deducted.

8. Proposed Qualifying Transaction and subsequent events:

Timeless and Cannaverde Pharma Inc. ("CannaVerde"), a private British Columbia corporation with operations in the Colombian cannabis market, signed an arm's length non-binding letter of intent dated June 19, 2019 (the "Letter of Intent") in respect of a proposed business combination (the "Proposed Transaction") that would result in the reverse takeover of Timeless by CannaVerde. The Proposed Transaction will constitute Timeless' "Qualifying Transaction" pursuant to Policy 2.4 of the Exchange. Following the completion of the Proposed Transaction, the resulting entity (the "Resulting Issuer") will hold all of the assets and continue the business of CannaVerde.

On August 23, 2019 Timeless and Cannaverde entered into a definitive amalgamation agreement in respect of the Proposed Transaction. Pursuant to the Proposed Transaction, Cannaverde will amalgamate with a newly formed subsidiary of Timeless and will become a wholly-owned subsidiary of Timeless and the shareholders of Cannaverde will exchange their Cannaverde shares for Timeless shares. In connection with the transaction, and subject to Timeless shareholder approval, the Timeless corporation will continue out of Alberta and become a British Columbia corporation and prior to completing the transaction, will consolidate the Timeless shares on the basis of one (1) new Timeless share for each six and a half (6.5) old Timeless shares.

According to the Definitive Agreement, Timeless and Canaverde agreed to a closing date of November 30, 2019. Due to market conditions at that time, Canaverde was unable to raise the required funds for the transaction and Timeless agreed to extend the exclusivity and closing date to February 29, 2020.

Canaverde has been unable to secure funding for the proposed transaction and therefore the exclusive period agreed to between Timeless and Canaverde has expired. While Timeless remains in contact with Canaverde, Timeless has started to examine new projects for a qualifying transaction on a non-exclusive basis.