NBS Capital Inc.
Condensed Interim Financial Statements
Three and six months ended December 31, 2018
(unaudited)

The accompanying unaudited condensed interim financial statements for the three and six months ended December 31, 2018 have not been reviewed by the Corporation's auditors. These financial statements are the responsibility of management and have been reviewed and approved by the Corporation's Audit Committee.

NBS Capital Inc.
Three and six months ended December 31, 2018
Contents
(unaudited, in Canadian dollars)

NBS Capital Inc.
Condensed Interim Statements of Financial Position
(unaudited, in Canadian dollars)

As at	***December 31, 2018***	*June 30, 2018*
Assets		
Current		
Cash	**454,008**	88,466
Subscription receivable		5,000
Short term investments	**-**	
Prepaid expenses	**-**	19,040
	454,008	112,506
Liabilities		
Current		
Accounts payable and accrued liabilities	**3,229**	283
	3,229	283
Shareholders' Equity		
Share capital *(Note 7)*	**615,000**	115,000
Contributed Surplus		
Deficit	**(164,221)**	(2,777)

Nature of the Organization *(Note 1)*

Approved on behalf of the Board

[signed] "Paul Barbeau"
Director

[signed] "David Chow"
Director

The accompanying notes are an integral part of these financial statements

NBS Capital Inc.
Condensed Interim Statements of Changes in Shareholders’ Equity
(unaudited, in Canadian dollars)

	Share Capital				
	Common Shares (thousands)	Amount $'000	Contributed Surplus $'000	Deficit $'000	Shareholders' Equity $'000
Balance, March 1, 2018	2,300,000	115,000			115,000
Comprehensive loss for the period	-	-	-	(2,777)	(2,777)
Balance - June 30, 2018	**2,300,000**	**115,000**	**-**	**(2,777)**	**112,223**
Initial Public Offering	5,000,000	500,000			500,000
Comprehensive loss for the period	-	-	-	(161,444)	(161,444)
Balance - December 31, 2018	**7,300,000**	**615,000**	**-**	**(164,221)**	**450,779**

The accompanying notes are an integral part of these financial statements

NBS Capital Inc.
Condensed Interim Statements of Comprehensive Loss
(unaudited, in Canadian dollars)

	Three months ending December 31, 2018	Six months Ending December 31, 2018	June 30, 2018
Revenue			
Interest income	**164**	164	-
Expenses			
Bank Charges	**18**	39	22
Professional fees	**125,539**	131,584	2,260
Exchange and Transfer Fees	**14,611**	20,261	
General and office	**9,227**	9,725	495
	149,394	161,608	2,777
Net loss and comprehensive loss	**(149,230)**	(161,444)	(2,777)
Loss per share			
Basic and diluted	**(0.02)**	(0.02)	(0.00)
Weighted average number of common shares	**7,300,000**	7,300,000	2,300,000

The accompanying notes are an integral part of these financial statements

NBS Capital Inc.
Condensed Interim Statements of Cash Flows
(unaudited, in Canadian dollars)

	Six months ended December 31, 2018	*ended June 30, 2018*
Cash provided by (used for) the following activities		
Operating activities		
Net Income	**(161,444)**	(2,777)
Changes in working capital accounts		
Subscription Receivables	**-**	(5,000)
Short-Term Investments	**-**	-
Prepaid Expenses	**19,040**	(19,040)
Company Credit Card	**(275)**	
Accounts payable and accrued liabilities	**3,221**	283
Cash provided by operating activities	**21,986**	(26,534)
Net cash provided by operating activites	**(139,458)**	
Financing activites		
Shares Issued	**505,000**	115,000
Change in cash resources	**365,542**	(88,466)
Cash, beginning of period	**88,466**	-
Cash, end of period	**454,008**	88,466

The accompanying notes are an integral part of these financial statements

1. Nature of the Organization

Description of the business

NBS Capital Inc. (the "Corporation") was incorporated under the Canada Business Corporations Act on March 1, 2018 with the intent of being classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The Corporation has no assets other than cash. The Corporation's purpose is to identify and evaluate potential assets or businesses, with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4.

The Corporation operates from its primary office in Ottawa, Ontario, Canada. Its registered office is located at 11 – 300 Earl Grey Drive, Ottawa, ON K2T 1C1.

2. Basis of Preparation

Statement of Compliance

These financial statements of the Corporation (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies applied in these financial statements are presented in Note 3.

The preparation of the Financial Statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgments in applying the Corporation's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 3.

Basis of Presentation and Going Concern

The Financial Statements reflect the financial position, results of operations and cash flows of the Corporation.

The Financial Statements have been prepared in accordance with IFRS on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Corporation is in its first year of operation and, as at December 31, 2018, had a deficit of $161,444. The success of the Corporation is dependent upon the Corporation's ability to identify and evaluate potential assets or businesses and, once identified, negotiate and acquire such assets or businesses. The Corporation, as at December 31, 2018, had cash balances and short term investments of $454,008 and current liabilities of $3,229. The Corporation will require additional financing to continue to pursue its identification and acquisition activities, and to meet its general and administrative costs for at least the next 12 months from the reporting period. These factors indicate the existence of a material uncertainty that may cast doubt as to the Corporation's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

Basis of measurement

The Financial Statements have been prepared on a historical cost basis.

Functional currency and currency of presentation

The Financial Statements are presented in Canadian dollars which is also the functional currency of the Corporation.

3. Summary of Significant Accounting Policies

A) Cash

Cash consists of amounts on deposit with high credit quality financial institutions.

B) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax basis, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Corporation reassesses unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

C) Loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted-average number of shares outstanding during the period. Diluted earnings per share is calculated giving effect to potential dilution that would occur if stock options, warrants or other dilutive instruments were exercised. The dilutive impact is determined by assuming that any proceeds upon exercise for which market price exceeds exercise price, would be used to purchase shares at the average market price for the period. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants. Diluted loss per share does not include the effect of potentially issuable common shares if their effect is anti-dilutive.

D) Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

<u>Financial assets</u>

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortized cost
- fair value through profit or loss (“FVTPL”)
- fair value through other comprehensive income (“FVOCI”).

The classification is determined by both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income (loss) (all income and expenses relating to financial assets that are recognized in profit or loss are presented within finance income or other financial items).

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Corporation's cash and the subscription receivable fall into this category of financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets the contractual cash flows of which are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique, where no active market exists. The Corporation does not have any financial instruments in this category as at December 31, 2018.

Financial assets at fair value through other comprehensive income (FVOCI)

The Corporation accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is hold to collect the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset. The Corporation does not have any financial instruments in this category as at December 31, 2018.

Impairment of financial assets

IFRS 9's new impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss' ("ECL") model. The Corporation considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the financial instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Corporation's financial assets fall into this category.

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Corporation's financial liabilities include trade and payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Corporation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

E) Equity

Share capital represents the amount received on the issue of shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital.

F) Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of the assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The Corporation has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

In particular, the Corporation has identified the following areas where significant judgments, estimates, and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the Financial Statements.

Significant management judgments

The following are significant management judgments in applying the accounting policies of the Corporation and have the most significant effect on the Financial Statements.

- Going concern

The assessment of the Corporation's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and fund the identification, evaluation and completion of a Qualifying Transaction, involves significant judgments based on expectation of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Corporation based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Corporation. Such changes are reflected in the assumptions when they occur.

- Accruals

The Corporation records accruals based on estimates. Management has made significant assumptions about the future and, in the event that actual results differ from assumptions made, a material adjustment could result.

4. Recent Accounting Pronouncements

IFRS 16 Leases ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Instead, all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing the asset.

The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. Prospective application is required beginning on or after January 1, 2019 with early adoption permitted only if an entity early-adopts IFRS 15 as well. The Corporation plans to adopt the new standard on the required effective date.

5. Capital Management

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern and allow it to identify an appropriate business or asset in order to acquire such a business or asset.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses considered as a Qualifying Transaction, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of common shares or $210,000 may be used to cover prescribed costs of issuing the common shares and administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable. The Corporation monitors its cash as capital. There were no changes in the Corporation's approach to capital management during the period ended December 31, 2018. The Corporation's investment policy is to hold cash in interest bearing bank accounts. The Corporation is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Corporation expects its current capital resources to be sufficient to carry out its activities for the next twelve months.

6. Financial Instruments

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 – valuation techniques based on inputs that are quoted prices or similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – valuation techniques with significant unobservable market inputs.

As at December 31, 2018, the Corporation did not have any financial instruments carried at fair value and that require classification within the fair value hierarchy.

Financial Risk Factors

The Corporation has exposure to credit risk, liquidity risk and market risk. The Corporation's Board of Directors has the overall responsibility for the oversight of these risks and reviews the Corporation's policies on an ongoing basis to ensure that these risks, which are summarized below, are appropriately managed:

Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the Corporation as potential losses may arise due to a failure of its counterparties to fulfill their obligations on maturity periods or due to adverse market conditions. The Corporation's financial assets exposed to credit risk are primarily composed of cash. Maximum exposure is equal to the carrying values of these assets. The Corporation's cash is kept in a Canadian bank. The financial assets of the Corporation are neither past due nor impaired as at December 31, 2018.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. As at December 31, 2018, the Corporation had a cash balance of $454,008 to settle current liabilities of $3,229. To the extent that the Corporation believes it has sufficient liquidity to meet its current obligations, the Board of Directors may consider securing additional funds through equity or partnering transactions to finance future operations. All of the Corporation's financial liabilities are normally paid within 30 days and are subject to normal trade terms. The Corporation has no source of operating cash flow to fund its evaluation of a potential Qualifying Transaction. Funding for a potential Qualifying Transaction requires equity or debt financing. The Corporation has limited financial resources and there is no assurance that funding will be available to allow the Corporation to complete a Qualifying Transaction.

7. Share Capital

Authorized share capital

An unlimited number of common shares with no par value.

Issued and outstanding share capital

	December 31, 2018	
	Number of Common Shares	**Amount $**
Opening Balance March 1, 2018	**-**	-
Private Placement – Common Shares	**2,300,000**	115,000
Initial Public Offering – Common Shares	**5,000,000**	500,000
Ending Balance December 31, 2018	**7,300,000**	615,000

Escrowed Shares

The Corporation issued 2,300,000 common shares at $0.05 per share for total proceeds of $115,000. Those common shares are held in escrow pursuant to the requirements of the Exchange. All common shares acquired on exercise of common stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow.

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 polices 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.

Stock Options

The Corporation has adopted a common share stock option plan in accordance with the policies of the Exchange. Stock options may be granted for common shares 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 a director or officer of the Corporation, and in case of death, shall terminate on the date determined by the directors, which date shall not be later than the earlier of the expiry date of the option and one year from the date of death.

Name	Number of Shares	Exercise Price per Share	Expiry Date
Paul Barbeau	167,900	$0.10	December 21, 2023

David Randall Chow	167,900	$0.10	December 21, 2023
Patrick André Murphy	131,400	$0.10	December 21, 2023
Michael Labiak	131,400	$0.10	December 21, 2023
John Kutkevicius	131,400	$0.10	December 21, 2023
Industrial Alliance Securities Inc.	500,000	$0.10	December 21, 2020

8. Income Taxes

(a) Provision for income taxes

Major items causing the Corporation's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% were as follows:

	2018 $
Loss before income taxes	161,444
Expected income tax recovery based on statutory rate	(42,783)
Benefit of tax losses not recognized	42,783
Deferred income tax provision (recovery)	-

(b) Deferred income taxes

The Corporation has approximately $164,221 of non-capital losses in Canada, which under certain circumstances can be used to reduce the taxable income of future years. The losses expire in the following periods:

Year	Amount ($)
2038	2,777
2039	161,444
	164,221

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can use the benefits.

9. Short Term Investments

As at December 31, 2018, the company had no such investments.

10. Related Party Transactions

Related Party	Relationship
Paul Barbeau	President, Director, and Chief Executive Officer

During the six months ended December 31, 2018, the Corporation paid $791 to certain directors and companies controlled by certain directors. These expenses are categorized under "Office Expenses" on the Statement of Income and Comprehensive Loss.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to be the related parties.