SPECTRE CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended February 28, 2022 and 2021

(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 February 28, 2022 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

SPECTRE CAPITAL CORP.
Condensed Interim Statements of Financial Position
As at February 28, 2022 and August 31, 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	February 28, 2021	August 31, 2021
ASSETS		
Current assets		
Cash	$ 690	$ 7,138
GST receivable	10,378	9,085
Prepaid expense	-	27
Loan receivable (Note 7)	241,935	260,500
Total assets	$ 253,003	$ 276,750
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 25,958	$ 28,020
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	463,900	463,900
Reserve	60,120	60,120
Deficit	(296,975)	(275,290)
Total shareholders' equity	227,045	248,730
Total liabilities and shareholders' equity	$ 253,003	$ 276,750

Nature and continuance of operations – (Note 1)
Subsequent event – (Note 7)

APPROVED ON BEHALF OF THE BOARD:

"Geoff Balderson" Director ***"Stephen Ross Gatensbury"*** Director

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

SPECTRE CAPITAL CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three and six months ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended February 28,		For the six months ended February 28,	
	2022	**2021**	**2022**	**2021**
Expenses				
Bank charges	$ 15	$ 17	$ 30	$ 42
Consulting fees	6,000	6,000	12,000	12,000
Listing and filing fees	2,203	3,830	3,303	6,908
Professional fees	4,113	14,081	6,352	20,543
Loss and comprehensive loss for the period	$ (12,331)	$ (23,928)	$ (21,685)	$ (39,493)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average shares outstanding – basic and diluted	3,410,001	3,410,001	3,410,001	3,410,001

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

SPECTRE CAPITAL CORP.

Condensed Interim Statements of Changes in Shareholders' Equity
For the six months ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Shares	**Share Capital**	**Reserve**	**Deficit**	**Total**
Balance, August 31, 2020	7,160,001	$ 463,900	$ 60,120	$ (191,455)	$ 332,565
Loss and comprehensive loss for the period	-	-	-	(39,493)	(39,493)
Balance, February 28, 2021	7,160,001	$ 463,900	$ 60,120	$ (230,948)	$ 293,072
Balance, August 31, 2021	7,160,001	$ 463,900	$ 60,120	$ (275,290)	$ 248,730
Loss and comprehensive loss for the period	-	-	-	(21,685)	(21,685)
Balance, February 28, 2022	7,160,001	$ 463,900	$ 60,120	$ (296,975)	$ 227,045

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

SPECTRE CAPITAL CORP.
Condensed Interim Statements of Cash Flows
For the six months ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the six months ended February 28, 2022	2021
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	$ (21,685)	$ (39,493)
Items not affecting cash:		
Change in non-cash working capital item:		
GST receivable	(1,293)	(1,801)
Prepaid expenses	27	(12,841)
Accounts payable and accrued liabilities	(2,062)	9,151
Net cash used in operating activities	(25,013)	(44,984)
INVESTING ACTIVITY		
Loan receivable repaid (advanced)	18,565	(225,000)
Net cash used in (provided by) investing activity	18,565	(225,000)
Change in cash for the period	(6,448)	(269,984)
Cash, beginning of period	7,138	346,614
Cash, end of period	$ 690	$ 76,630
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

Spectre 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 May 24, 2018. On October 17, 2018, the Company changed its name to Spectre Capital Corp.

On August 22, 2019, the Company filed its final prospectus and received final approval on August 26, 2019. Since the Company did not complete its Initial Public Offering ("IPO") in the allotted time, on February 12, 2020, the Company filed with and was "accepted by the TSX Venture Exchange ("TSX-V" or the "Exchange") an amended and restated final prospectus with the securities. The Company completed its IPO on February 21, 2020, and is classified as a Capital Pool Company as defined in the TSX-V Policy 2.4. The Company was listed on February 21, 2020 and commenced trading on February 25, 2020 under the trading symbol "SOO.P".

The Company's head office and registered and records office address is Suite 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

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. 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. On March 22, 2022, the Company adopted certain amendments to avail itself of changes arising from the TSX Venture Exchange's updated Policy 2.4 Capital Pool Companies that came into effect on January 1, 2021.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business.

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 April 25, 2022.

These financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs except for certain financial instruments which are measured at fair value. The financial statements are presented in Canadian dollars which is the Company's functional currency.

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.

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 August 31, 2021. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2021.

4 Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

There were no shares issued during the six months ended February 28, 2022 and during the year ended August 31, 2021.

(Expressed in Canadian Dollars)

4. Share Capital – (cont'd)

c) Escrow Agreement

The shares issued in August 2019 are 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 been reduced by 3,750,001. On March 22, 2022, the Company adopted certain amendments to the TSX Venture Exchange's updated Policy 2.4 Capital Pool Companies which came into effect on January 1, 2021 with different escrow release schedule whereby 25% of the escrowed securities would be released from escrow on the initial release and 25% to be released from escrow on each of the six, 12 and 18 months following such date.

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 ten 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 February 21, 2020, the Company granted stock options to directors and officers of the Company for the right to purchase 716,000 common shares at a price of $0.10 per share exercisable to February 20, 2025. These stock options vest immediately at the date of grant. The Company recorded share-based payment of $50,120 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 1.21%; 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 February 28, 2022 and for the year ended August 31, 2021 is as follows:

	Number of options	**Weighted Average Exercise Price**
Balance, August 31, 2020, 2021 and February 28, 2022	716,000	$0.10

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The weighted average remaining life of the 716,000 stock options is 2.98 years.

As at February 28, 2022, the Company had 716,000 stock options outstanding exercisable at $0.10 per share expiring on February 20, 2025.

(Expressed in Canadian Dollars)

4. Share Capital – (cont'd)

e) Agent's Warrants

Details of agents warrants activities for the six months ended February 28, 2022 and for the year ended August 31, 2021 is as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, August 31, 2020, 2021	200,000	$0.10
Expired	(200,000)	$0.10
Balance, February 28, 2022	-	-

On February 20, 2022, 200,000 Agents warrants exercisable at $0.10 per share expired on February 20, 2022.

f) Reserves

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

5. 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.

5. Financial Instruments – (cont'd)

Financial risk factors

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 and loan receivable. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company is exposed to credit risk with respect to the loan receivable, and the maximum exposure is its carrying amount on the statements of financial position.

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. At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash and loan receivable, and accounts payable and accrued liabilities that are denominated in a foreign currency. As February 28, 2022, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

6. Capital Management

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital and no changes in the Company's approach during the six months ended February 28, 2022.

7. Terminated Proposed Transaction

On September 8, 2020, the Company entered into a letter of intent ("LOI") with Hemptown Organics Corp. ("Hemptown") pursuant to which the Company will acquire all of the issued and outstanding shares of Hemptown (the "Transaction") which is intended to constitute the Company's Qualifying Transaction. Upon execution of this LOI, the Company and Hemptown will enter into a Definitive Agreement which will supersede this LOI.

In accordance with the terms of the LOI, it is anticipated that each common share of Hemptown outstanding at the time of the completion of the Transaction be exchanged for one (the "common share exchange ratio") fully paid and non-assessable common share of the Company and that each Class A share of Hemptown outstanding at the time of the completion of the Transaction, be exchanged for one (the "Class A share exchange ratio") full paid and non-assessable class A share of the Company and each stock option or warrants of Hemptown for common share and Class A outstanding will thereafter be exercisable into securities of the Company, as adjusted for the Common share exchange ratio and Class A share exchange ratio respectively.

The Company provided a bridge loan of $225,000 to Hemptown, which is non-interest bearing and is secured by a general security agreement on the assets of Hemptown and a promissory note. The loan will be forgiven upon closing of the Transaction or otherwise be repayable on demand. The Company also advanced $35,500 to creditors on behalf of Hemptown. These amounts are included in loan receivable as at August 31, 2021.

Immediately prior to the completion of the transaction, the Company will undertake a consolidation on the basis of 2.5 old common shares for every 1 new common share.

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the completion of a financing into the Company or Hemptown; (ii) court approval of the Arrangement, (iii) the approval by the board of directors of the Company to complete the Transaction, (iv) the completion of the share consolidation and creation of new Class A shares; (v) the absence of any material adverse change, material litigation, claims, investigations or other matters, including any subsidiaries or related companies of Hemptown; and (vi) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange. There can be no assurance that the Transaction will be completed on the terms proposed above or at all.

On March 25, 2022, the Company and Hemptown entered into a termination agreement whereby Hemptown has agreed to issue 2,000,000 Hemptown common shares to the Company as a break fee and the Company and Hemptown have released each other from all matters relating to the transaction and the termination, including the repayment of the $225,000 loaned and $16,935 in expenses paid by the Company.