Hakken Capital Corp.

(A Capital Pool Company)

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)

For the Three Months Ended September 30, 2019
(Expressed in Canadian dollars)

Hakken Capital Corp.
Condensed Interim Financial Statements
For the three-month period ended September 30, 2019

Hakken Capital Corp.
4626 Lockehaven Place
North Vancouver, B.C.
V7G 2B8

NOTICE TO READER

To the Shareholders of
Hakken Capital Corp.

The accompanying unaudited condensed financial statements of Hakken Capital Corp. (the "Corporation") for the three-month period ended September 30, 2019, have been prepared by, and are the responsibility of, the Corporation's management.

The Corporation's independent auditor has not performed a review of these condensed interim financial statements.

Yours truly,

Dave Eto
President, Chief Executive Officer and Director

Hakken Capital Corp.

Condensed Interim Statement of Financial Position
As at September 30, 2019
(Expressed in Canadian Dollars)

	As at September 30, 2019	As at June 30, 2019
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	**62,236**	96,001
Amounts receivable	**2,344**	1,875
Total assets	**64,580**	97,876
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities	**13,630**	36,826
Total liabilities	**13,630**	36,826
Equity		
Common shares (Note 3)	**130,000**	130,000
Deficit	**(79,050)**	(68,950)
Total equity	**50,950**	61,050
Total equity and liabilities	**64,580**	97,876

Nature of Operations and Going Concern (Note 1),

Approved on behalf of the Board:

"Dave Eto"
Dave Eto
Director

"Barry McKnight"
Barry McKnight
Director

The accompanying notes are an integral part of these financial statements

Hakken Capital Corp.
Condensed Interim Statement of Loss and Comprehensive Loss
For the three-month period ended September 30, 2019

	Three months ended September 30, 2019	For the period from incorporation on October 11, 2018 to June 30, 2019
	$	$
Administration expenses		
Accounting and audit fees	**-**	6,500
Bank charges and interest	**63**	224
Filing fees	**-**	18,677
Legal fees	**10,037**	43,549
Net loss and comprehensive loss for the period	**(10,100)**	(68,950)
Loss per share, basic and diluted (Note 7)	**(0.00)**	(0.08)
Weighted average number of common shares outstanding (Note 7)	**2,600,000**	863,359

The accompanying notes are an integral part of these financial statements

Hakken Capital Corp.

Condensed Interim Statement of Cash Flows
For the three-month period ended September 30, 2019

	Three months ended September 30, 2019	For the period from incorporation on October 11, 2018 to June 30, 2019
	$	$
Cash Flows from Operating Activities		
Loss for the period	**(10,100)**	(68,950)
Changes in operating assets and liabilities		
Trades payables and accrued liabilities	**(23,196)**	36,826
Amount receivable	**(469)**	(1,875)
Net Cash used in Operating Activities	**(33,765)**	(33,999)
Cash Flows from Financing Activities		
Proceeds from issuance of common shares	**-**	130,000
Cash provided by Financing Activities	**-**	130,000
Increase (Decrease) in Cash	**(33,765)**	96,001
Cash and cash equivalents, beginning of period	**96,001**	-
Cash and cash equivalents, end of period	**62,236**	96,001

The accompanying notes are an integral part of these financial statements

Hakken Capital Corp.
Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Number of common shares	Common shares	Deficit	Total
		$	$	$
Balance, October 11, 2018 (Date of Incorporation)	-	-	-	-
Common Shares issued for Cash (Note 3)	2,600,000	130,000	-	130,000
Net loss for the period	-	-	(68,950)	(68,950)
Balance June 30, 2019	2,600,000	130,000	(68,950)	61,050
Net loss for the period	**-**	**-**	(10,100)	(10,100)
Balance for September 30, 2019	**2,600,000**	**130,000**	**(79,050)**	**50,950**

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Hakken Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on October 11, 2018. The Company currently has no operating business and intends to become a Capital Pool Company as defined in the TSX Venture Exchange ("SX-V" or "TSX Venture") Policy 2.4 and to complete an initial public offering. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT").

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 Company 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 the completion of a QT by the Company as defined under the policies of the TSX Venture. The Company is required to complete its QT on or before two years form the date the Company receives regulatory approval as a Capital Pool Company.

The Company's head office, principal address and registered and records office is located at 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, BC, V6E 4N7.

These financial statements have been prepared on the basis that the Company will continue as a going concern which assumes 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 for at least twelve months from September 30, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these financial statements.

a) **Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The financial statements were authorized for issuance by the board of directors of the Company on November 14, 2019.

b) **Basis of presentation**

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) **Significant estimates and judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. These financial statements do not include any accounts that require significant estimates as the basis for determining the stated amounts.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
ii. The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood or utilizing tax carryforwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

d) **Cash and cash equivalents**

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

e) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) **Financial instruments (**continued**)**

Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost or as FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified at amortized cost.

As at September 30, 2019, the Company does not have any derivative financial liabilities.

g) **Income taxes**

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) **Income taxes** (continued)

Deferred income tax:
Deferred income tax is based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

h) **Loss per share**

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Basic and diluted loss per share has not been presented as all of the Company's common shares have been excluded from the weighted average shares calculation because they are contingently returnable.

i) **Share capital**

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

j) **Accounting pronouncements not yet adopted**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. The Company is evaluating any impact the standards noted below may have on the Company's financial statements and this assessment has not been completed.

IFRS 16 – Leases, establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard is effective for annual periods beginning on or after January 1, 2019. Management does not anticipate this standard having a material effect on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect any effect on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

3. SHARE CAPITAL

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued Shares

During the period ended June 30, 2019, the Company issued 2,600,000 common shares at a price of $0.05 per share for gross proceeds of $130,000. Pursuant to TSX Policy 2.4, in the event that the Company elects to seek a listing of the securities on the exchange as a Capital Pool Company, 100% of the shares issued in the current period will be subject to be held in escrow pursuant to the terms of an escrow agreement. As at September 30, 2019, the Company has entered into any escrow agreements which will become effective only upon listing of the shares on the "Exchange".

On June 14, 2019, the Company adopted a rolling stock option plan ("Option Plan"), pursuant to which a maximum of 10% of the issued and outstanding Common Shares at the time an option is granted, less any common shares reserved for issuance under other share compensation arrangements and will be granted at the discretion of the Company's Board of Directors to eligible optionees under the Option Plan.

4. RELATED PARTY TRANSACTIONS AND BALANCES

Key Management includes personnel having the authority and responsibility for planning, directing and controlling the Company and includes the directors and current executive officers. There was no remuneration paid to key management personnel during the period ended September 30, 2019.

During the period ended September 30, 2019, the following related party transactions occurred:

- Officers and directors of the Company subscribed for 2,100,00 common shares for gross proceeds of $105,000.
- A family member of the CEO subscribed for 400,000 common shares for gross proceeds of $20,000.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's trade payables approximates carrying value due to its short-term nature. The Company's other financial instrument, being cash, is measured at fair value on a recurring basis using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) **Credit risk:**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash account. Cash held with a major bank in Canada and management believes the risk of credit loss is low.

b) **Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Trade payables are due within 30 days from September 30, 2019. The Company has a sufficient cash balance to settle current liabilities.

c) **Market risk:**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

d) **Interest rate risk:**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

6. CAPITAL DISCLOSURE AND MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

7. Loss per share

The calculation of basic and diluted loss per share is based on the following data:

Three-month period ended September 30, 2019	
Net loss for the period	**$ 10,100**
Weighted average number of shares – basic and diluted	**2,600,000**
Loss per share, basic and diluted	**$ (0.00)**

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Consistent with the Corporation's accounting policy, common shares held in escrow upon listing of the shares on the "Exchange" are excluded from the weighted average basic and dilutive shares outstanding. As of September 30, 2019, the weighted average number of common shares outstanding for purposes of calculating basic and dilutive loss per share were 2,600,000 shares respectively for the shares. For the calculation of diluted loss per share, no shares were added to the weighted number of common shares for the dilutive effects of exercisable director stock options or agent options.

8. SUBSEQUENT EVENT

The Company is in the process of filing its Initial Public Offering ("IPO") whereby it plans to raise $400,000 through the issuance of the Company's common shares at $0.10 per share. Pursuant to the letter of intent with Haywood Securities Inc. ("Haywood") to act as the Company's exclusive agent for an IPO and listing its common shares on the TSX Venture Exchange (the "Exchange"). The letter of intent is for an IPO offering of up to 4,000,000 common shares at an offering price of $0.10 per common share. Under the letter of intent Haywood is to receive a commission of 10% of gross proceeds, a corporate finance fee of $10,000 in cash at closing, and agent warrants representing 10% of the number of shares sold being exercisable for 24 months following the closing date.

9. APPROVAL OF BOARD

The financial statements of the Corporation for the three-month period ended September 30, 2019 were approved and authorized for issuance by the Board of Directors on November 14, 2019