ANC CAPITAL VENTURES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

ANC CAPITAL VENTURES INC.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102- *Continuous Disclosure Obligations*, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the 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 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company (the "Board").

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditors.

January 30, 2020

ANC CAPITAL VENTURES INC.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	December 31, 2019 $ (unaudited)	March 31, 2019 $ (audited)
Assets		
Current assets		
Cash	44,340	105,000
Prepaid expenses	28,125	–
Total assets	72,465	105,000
Liabilities		
Accounts payable	525	–
Shareholder loan	50	–
	575	–
Shareholders' equity		
Share capital	105,000	105,000
Share-based payment reserve (Note 5)	26,010	26,010
Deficit	(59,120)	(26,010)
Total shareholders' equity	71,890	105,000
Total liabilities and shareholders' equity	72,465	105,000

Nature and continuance of operations (Note 1)
Subsequent events (Note 7)

Approved and authorized for issuance by the Board of Directors on January 30, 2020:

Signed "Jim Sekora"

Jim Sekora
Director

Signed "Randy Clifford"

Randy Clifford
Director

(The accompanying notes are an integral part of these financial statements)

ANC CAPITAL VENTURES INC.
CONDENSED INTERIM STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(unaudited)

	Three months ended December 31, 2019 $	Three months ended December 31, 2018 $	Nine months ended December 31, 2019 $	Nine months ended December 31, 2018 $
Expenses				
General and administrative	–	–	–	–
Professional fees	525	–	6,993	–
Transfer agent & filing fees	500	–	26,117	–
Total expenses	1,025	–	33,110	–
Loss before other income (expense)	(1,025)	–	(33,110)	–
Net loss and comprehensive loss	(1,025)	–	(33,110)	–
Loss per share, basic and diluted	(0.00)	–	(0.02)	–
Weighted average number of shares outstanding	2,100,000	–	2,100,000	–

(The accompanying notes are an integral part of these financial statements)

ANC CAPITAL VENTURES INC.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
(unaudited)

	Share Capital				
	Number of Shares	Amount $	Share-based payment reserve $	Deficit $	Total $
Balance, March 11, 2019 (date of incorporation)	1	1	–	–	1
Cancellation of founder's share	(1)	(1)	–	–	(1)
Issuance of shares for cash	2,100,000	105,000	–	–	105,000
Fair value of stock options granted	–	–	26,010	–	26,010
Net loss for the period	–	–	–	(26,010)	(26,010)
Balance, March 31, 2019	2,100,000	105,000	26,010	(26,010)	105,000

	Share Capital				
	Number of Shares	Amount $	Share-based payment reserve $	Deficit $	Total $
Balance, March 31, 2019	2,100,000	105,000	26,010	(26,010)	105,000
Net loss for the period	–	–	–	(33,110)	(33,110)
Balance, December 31, 2019	2,100,000	105,000	26,010	(59,120)	71,890

(The accompanying notes are an integral part of these financial statements)

ANC CAPITAL VENTURES INC.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS
(unaudited)

	Nine month period ended December 31, 2019 $	Nine month period ended December 31, 2018 $
Operating activities		
Net loss	(33,110)	–
Adjustment for items not involving cash:		
Share-based compensation	–	–
Accounts payable	525	–
Prepaid expenses	(28,125)	–
Shareholder loan	50	–
Net cash used in operating activities	(60,660)	–
Financing activities		
Proceeds from issuance of shares	–	–
Net cash provided by financing activities	–	–
Change in cash	(60,660)	–
Cash, beginning of period	105,000	–
Cash, end of period	44,340	–

(The accompanying notes are an integral part of these financial statements)

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

ANC Capital Ventures Inc. (the "Company') was incorporated on March 11, 2019 pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company was formed to complete an Initial Public Offering ("IPO") and become classified as a Capital Pool Company ("CPC") as defined by TSX Venture Exchange ("TSXV") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has applied to have its shares listed on the TSXV upon completion of its IPO. The head office and the registered office of the Company is located at Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3.

As at December 31, 2019, the Company has no business operations. As a CPC, the Company's principal business objective will be to identify and evaluate assets, properties or businesses with a view to a potential acquisition or participation by completing a Qualifying Transaction subject, in certain cases, to shareholders' approval and acceptance by the TSXV. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

Under the policies of the TSXV, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the TSXV. There is no assurance that the Company will be able to complete a QT within this time period, or that it will be able to secure the necessary financing to complete a QT. The TSXV may suspend or de-list the Company's shares from trading should it not meet these requirements.

Going Concern

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2019, the Company has not generated any revenues and has a deficit of $59,120. The Company's continuing operations are dependent upon its ability to complete its IPO and identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These condensed interim financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance and Basis of Presentation

These unaudited condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2019.

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Use of Estimates and Judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the period. It also requires management to exercise its judgment in the processing of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of such estimates and judgments are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates and judgments are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Actual results could differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based compensation, and recoverability of unrecognized deferred income tax assets.

The Company's assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) 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 a known amount of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Financial Instruments

Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL").

Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

Financial assets

Subsequent to initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

Financial assets (continued)

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the above conditions are classified as fair value through profit or loss. The Company's cash is measured at amortized cost.

Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss.

Impairment of financial assets

The Company applies the expected credit loss ("ECL") model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the statement of operations.

(e) 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. 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 the statement of operations. 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.

Deferred income tax

Deferred income tax is provided using the statement of financial position method 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 income 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Loss Per Share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted loss per share is computed by dividing the net income or 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. Potentially dilutive securities are excluded from the calculation of dilutive loss per share as they are anti-dilutive. As at December 31, 2019 the Company had 555,000 (2018 – nil) potentially dilutive shares outstanding.

(g) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations. The Company does not have any items affecting comprehensive income or loss.

(h) Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2019. These accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments, which includes cash, approximates its fair value due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash. The Company will limit its exposure to credit loss by placing its cash with a high credit quality financial institution or within a legal trust. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

EXPRESSED IN CANADIAN DOLLARS

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company plans on settling its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

4. SHARE CAPITAL

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

On March 22, 2019, the Company issued 2,100,000 common shares at $0.05 per share for proceeds of $105,000 to the directors of the Company, and cancelled the original founder's share.

In accordance with TSX-V Policy 2.4 for Capital Pool Companies, the Company is limited to the lesser of 30% of gross proceeds raised from the sale of securities or $210,000 for expenditures that are not related to valuations or appraisals, business plans, feasibility studies and technical assessments, sponsorship reports, geological reports, financial statements, fees for legal and accounting services, and agents fees, costs, and commissions.

5. STOCK OPTIONS

The Company has established a stock option plan (the "Plan") for its directors, executive officers, employees and consultants under which the Company may grant up to 560,000 stock options until the completion of the qualifying transaction which increases to 10% of the total issued and outstanding common shares of the Company after the completion of the qualifying transaction.

As of December 31, 2019, the Company granted 555,000 stock options to officers and directors of the Company and recorded share-based compensation of $26,010 relating to these stock options. The weighted average fair value of stock options on the date of grant was $0.05.

	Number of options	Weighted average exercise price $
Outstanding, March 31, 2019	555,000	0.10
Granted	–	–
Outstanding, December 31, 2019	555,000	0.10

Additional information regarding stock options outstanding as at December 31, 2019, is as follows:

Range of exercise prices $	Stock options outstanding	Weighted average remaining contracted life (years)
0.10	555,000	10

6. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

7. SUBSEQUENT EVENTS

On January 17, 2020 the Company issued a press release announcing that it had completed its' IPO and that its' shares were listed for trading on the TSXV. The Company issued 3,500,000 Common Shares at a price of $0.10 per share for gross proceeds of $350,000. Following completion of the Initial Public Offering, the Company has 5,600,000 Common Shares issued and outstanding, of which 2,100,000 are subject to escrow in accordance with the policies of the TSXV. The Company has an aggregate of 555,000 stock options outstanding, which have been granted to directors of the Company, with each such option exercisable to acquire one Common Share at a price of $0.10 until January 17, 2030.

In connection with the IPO, pursuant to the agency agreement dated July 26, 2019 between the Agent and the Company, the Agent received a cash commission of $35,000 equal to 10% of the gross proceeds of the Initial Public Offering. The Company also granted options to the Agent entitling the holder to purchase up to 350,000 Common Shares at a price of $0.10 per Common Share until January 17, 2022, being 24 months from the listing of the Common Shares on the Exchange. In addition, the Agent was paid a work fee of $12,500 plus applicable sales tax in connection with the IPO.