COMPASS VENTURE INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED

OCTOBER 31, 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
INTERIM CONDENSED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim condensed financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed financial statements in accordance with the standards established by Chartered Professional Accountants ("CPA") of Canada for a review of interim financial statements by an entity's auditor.

COMPASS VENTURE INC.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars - Unaudited)

	October 31, 2020 $	**July 31, 2020 $**
ASSETS		
CURRENTASSETS		
Cash	89,667	145,681
Tax recoverable	2,360	2,711
Prepaid expense	34,684	5,184
	126,711	153,576
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	5,000	21,347
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 3)	234,900	234,900
SHARE SUBSCRIPTIONS RECEIVED	10,000	-
DEFICIT	(123,189)	(102,671)
	121,711	132,229
	126,711	153,576

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

These condensed interim financial statements were approved by the Board of Directors on December 23, 2020.

On behalf of the Board:	*"Lim Kah Meng"*	*"Joshua Siow"*
	Dr. Lim Kah Meng, Director	Joshua Siow, Director

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

COMPASS VENTURE INC.

Condensed Interim Statement of Comprehensive Loss

(Expressed in Canadian Dollars - Unaudited)

	For the three months ended October 31, 2020 $
EXPENSES	
Bank charges	144
Consulting fees	4,000
Filing fees	8,697
Professional fees	8,500
Transfer agent fees	(823)
NET LOSS AND COMPREHENSIVE LOSS	20,518
NET LOSS PER SHARE – BASIC AND DILUTED	(0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	4,950,000

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

COMPASS VENTURE INC.

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian Dollars – Unaudited)

	Common Shares				
	Number of Shares	**Amount**	**Share Subscriptions**	**Deficit**	**Total**
		$	**$**	**$**	**$**
Date of incorporation, January 2, 2020	1	-	-	-	-
Cancellation of share	(1)	-	-	-	-
Shares issued for cash	4,950,000	247,500	-	-	247,500
Share issuance cost	-	(12,600)	-	-	(12,600)
Comprehensive loss for the period	-	-	-	(102,671)	(102,671)
Balance, July 31, 2020	**4,950,000**	**234,900**	-	**(102,671)**	**132,229**
Share subscriptions received	-	-	10,000	-	10,000
Comprehensive loss for the period	-	-	-	(20,518)	(20,518)
Balance, October 31, 2020	**4,950,000**	**234,900**	**10,000**	**(123,189)**	**121,711**

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

COMPASS VENTURE INC.

Condensed Interim Statement of Cash Flows

(Expressed in Canadian Dollars – Unaudited)

	For the three months ended October 31, 2020 $
OPERATING ACTIVITIES	
Net loss for the period	(20,518)
Changes in non-cash working capital items:	
Tax recoverable	351
Prepaid expense	(29,500)
Accounts payable and accrued liabilities	(16,347)
CASH USED IN OPERATING ACTIVITIES	(66,014)
FINANCING ACTIVITIES	
Share subscriptions received	10,000
CASH PROVIDED BY FINANCING ACTIVITIES	10,000
DECREASE IN CASH	(56,014)
CASH, BEGINNING OF PERIOD	145,681
CASH, END OF PERIOD	89,667
SUPPLEMENTAL INFORMATION:	
Interest paid	–
Income taxes paid	–

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Compass Venture Capital Inc. ("the Company") was incorporated on January 02, 2020 under the Business Corporations Act (British Columbia). The Company is in the process of applying to become a capital pool company ("CPC") as defined in TSX Venture Exchange Policy 2.4, and accordingly, its planned principal activity is to use its capital to investigate and acquire a business or group of assets (the "Qualifying Transaction").

The head office of the Company is located at 1 North Bridge Road, #02-07 High Street Centre, Singapore, 179094, and the registered and records office is located at 1000 – 595 Burrard Street, Vancouver BC V7X 1S8.

The Company does not currently have operations or assets capable of generating ongoing revenues or cash flows and there is no certainty that its shares will be listed for trading or that it will complete a Qualifying Transaction within the time specified by TSX Venture Exchange Policy 2.4., which is generally 24 months from the date its shares are listed for trading on the TSX Venture Exchange.

The Company has incurred losses since inception and has an accumulated deficit of $123,189 as at October 31, 2020 (July 31, 2020: $102,671). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon finding and completing a Qualifying Transaction, obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and the related adverse public health developments have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company's operations have been negatively impacted by the pandemic. Management of the Company continues to monitor the situation and is following the protocols and rules set in place by the provincial and federal governments.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB").
This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited financial statements of the Company for the period from inception on January 2, 2020 to July 31, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation

These financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts are expressed in Canadian dollars unless otherwise stated.

Significant estimates and judgments

The preparation of condensed interim 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 condensed interim financial statements do not include any accounts that require significant estimates as the basis for determining the stated amounts. The preparation of condensed interim 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 condensed interim financial statements include:

- 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.
- The valuation of share-based compensation, where the Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation and other equity based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.
- The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood or utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

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 did not identify any standards that may have any impact on the Company's condensed interim financial statements during the period.

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 condensed interim financial statements.

3. SHARE CAPITAL

Authorized share capital

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

3. SHARE CAPITAL (CONTINUED)

Issued and outstanding common shares

On May 22, 2020, the Company issued 4,950,000 common shares at $0.05 per share for gross proceeds of $247,500. The Company incurred a total of $12,600 in professional fees relating to the share issuance.

At October 31, 2020 and July 31, 2020, there were 4,950,000 common shares issued and outstanding.

Escrowed shares

In conjunction with the Company's application to become a CPC, the 4,950,000 shares outstanding at October 31, 2020 and July 31, 2020 were held in escrow to be released in accordance with TSX Venture Exchange Policy 2.4 over a period of up to 36 months from the date of the Final Exchange Bulletin following the completion of a Qualifying Transaction.

Stock options

The Company adopted a stock option plan (the "Plan") under which it can grant options to directors, officers, employees, and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a maximum of ten-year term and are non-transferable. Unless otherwise determined by the Board of Directors, options vest immediately upon granting.

As at October 31, 2020 and July 31, 2020, the Company had no stock options outstanding.

Share Subscriptions

As at October 31, 2020, the Company received $10,000 in share subscription deposits relating to the proposed private placement (Note 7). Subsequent to the period end, the Company received the remaining balance of $190,000 in subscription receipts.

4. NET LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended October 31, 2020 was based on the loss attributable to common shareholders of $20,518 and the weighted average number of common shares outstanding of 4,950,000.

5. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction as defined in TSX-V Policy 2.4. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V.

In conjunction with the Company's application to become a CPC, the Company will be subject to externally imposed capital requirements as outlined in the TSX-V Policy 2.4 and summarized below:

5. CAPITAL MANAGEMENT (CONTINUED)

i. No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party to the Qualifying Transaction ;

ii. Gross proceeds realized from the sale of all securities issued by the Company may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a Qualifying Transaction;

iii. No more than the lesser of $210,000 and 30% of the gross proceeds from the sale of securities issued by the Company may be used for purposes other than to identify and evaluate a Qualifying Transaction;

iv. After the completion of its Initial Public Offering and until the completion of a Qualifying Transaction, the Company may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

6. FINANCIAL INSTRUMENTS AND RISK

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 accounts payable and accrued liabilities approximates its carrying value. The Company's other financial instrument, being cash, is measured at fair value 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 accounts are held with major banks in Canada. The Company has deposited its cash with a bank from which management believes the risk of 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. As at October 31, 2020, the Company had cash of $89,667 to settle current liabilities of $5,000 which fall due for payment within 12 months.

6. FINANCIAL INSTRUMENTS (CONTINUED)

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.

7. PROPOSED INITIAL PUBLIC OFFERING AND PRIVATE PLACEMENT

Initial Public Offering

Pursuant to an agency agreement dated October 26, 2020, the Company engaged PI Financial Corp. ("PI" or the "Agent") to act as exclusive agent with respect to its proposed initial public offering ("IPO") as a Capital Pool Company. The Company is committed to issue a minimum of 2,500,000 and a maximum of 3,500,000 common shares for gross proceeds of a minimum of $250,000 and a maximum of $350,000. The Agent will be granted an option to acquire 10% of the common shares issued in connection with the IPO at a price of $0.10 per common share exercisable for a period of 24 months from the date the Company's common shares are listed on the TSX Venture Exchange. The Agent will also receive a cash commission of 10% of gross proceeds, a corporate finance fee of $17,000 and Agent's expense and legal fees incurred in connection with the IPO.

The IPO is subject to regulatory approval.

Private Placement

In addition to the IPO, the Company will enter into subscription agreements on or prior to the closing of the IPO pursuant to which subscribers, which may include certain directors and officers of the Corporation, will agree to purchase, on a private placement basis, up to 2,000,000 Common Shares at a price of $0.10 per Common Share for gross proceeds of up to $200,000 concurrent with the closing of the IPO. Closing of the IPO is not conditional upon the closing of the Private Placement. As a condition of listing, the Exchange has required that a minimum of $175,000 be subscribed for in the Private Placement. The Company may pay finder's fees payable in cash or Common Shares in connection with the Private Placement.

The Company has received the maximum amount of $200,000 in share subscription deposit relating to the Private Placement.