COMPASS VENTURE INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED

APRIL 30, 2021

(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)

	April 30, 2021 $	**July 31, 2020 $**
ASSETS		
CURRENTASSETS		
Cash	513,100	145,681
Tax recoverable	3,440	2,711
Prepaid expense	-	5,184
	516,540	153,576
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	2,345	21,347
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 3)	681,026	234,900
CONTRIBUTED SURPLUS	111,315	-
DEFICIT	(278,146)	(102,671)
	514,195	132,229
	516,540	153,576

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

These condensed interim financial statements were approved by the Board of Directors on June 22, 2021.

On behalf of the Board:

/s/ "Lim Kah Meng"
Dr. Lim Kah Meng, Director

/s/ "Joshua Siow"
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)

	Three months ended April 30, 2021 $	**Three months ended April 30, 2020 $**	**Nine months ended April 30, 2021 $**	**Period from inception on January 02, 2020 to April 30, 2020 $**
EXPENSES				
Bank charges	226	-	631	-
Consulting fees	5,700	1,575	18,350	1,575
Filing fees	(1,750)	12,757	16,947	12,757
Office expense	-	-	122	-
Professional fees	2,974	34,229	45,045	37,735
Stock-based compensation (Note 3)	-	-	93,071	-
Transfer agent fees	896	-	1,309	-
NET LOSS AND COMPREHENSIVE LOSS	8,046	48,561	175,475	52,067
NET LOSS PER SHARE – BASIC AND DILUTED	(0.001)	(48,561)	(0.03)	(52,067)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	10,450,000	1	6,944,505	1

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	Contributed Surplus	Share Subscriptions	Deficit	Total
		$	$	$	$	$
Balance, January 2, 2020	1	-	-	-	-	-
Share subscriptions	-	-	-	50,000	-	50,000
Comprehensive loss for the period	-	-	-	-	(52,067)	(52,067)
Balance, April 30, 2020	**1**	**-**	-	**50,000**	**(52,067)**	**(2,067)**
Balance, July 31, 2020	**4,950,000**	**234,900**	**-**	**-**	**(102,671)**	**132,229**
Share issued for cash	5,500,000	550,000	-	-	-	550,000
Share issuance costs	-	(103,874)	18,244	-	-	(85,630)
Stock-based compensation	-	-	93,071	-	-	93,071
Comprehensive loss for the period	-	-	-	-	(175,475)	(175,475)
Balance, April 30, 2021	**10,450,000**	**681,026**	**111,315**	**-**	**(278,146)**	**514,195**

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)

	Nine months ended April 30, 2021 $	Period from inception on January 02, 2020 to April 30, 2020 $
OPERATING ACTIVITIES		
Net loss for the period	(175,475)	(52,067)
Adjustments for non-cash items		
Stock-based compensation	93,071	-
Changes in non-cash working capital items:		
Tax recoverable	(729)	-
Prepaid expense	5,184	-
Accounts payable and accrued liabilities	(19,002)	20,252
CASH USED IN OPERATING ACTIVITIES	(96,951)	(31,815)
FINANCING ACTIVITIES		
Common shares issued	550,000	-
Share issuance costs	(85,630)	-
Share subscriptions received	-	50,000
CASH PROVIDED BY FINANCING ACTIVITIES	464,370	50,000
INCREASE IN CASH	367,419	18,185
CASH, BEGINNING OF PERIOD	145,681	-
CASH, END OF PERIOD	513,100	18,185
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). On January 21, 2021, the Company completed its Initial Public Offering (the "Offering") to be classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company began trading its shares on the TSX-V under the trading symbol "CVI-P". The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities (the "Qualifying Transaction" or "QT").

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 had an accumulated deficit of $278,146 as at April 30, 2021 (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 carryforwards. 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

During the nine months ended April 30, 2021

On January 21, 2021, the Company successfully completed its initial public offering ("IPO") to raise the maximum gross proceeds of $350,000 pursuant to the final prospectus ("Prospectus") dated October 26, 2020. A total of 3,500,000 common shares of the Company were subscribed for at a price of $0.10 per Share. The Company's agent for the IPO received a cash commission of $35,000, a corporate finance fee of $17,000, and was reimbursed for its expenses of $960 incurred pursuant to the IPO. The Company also granted 350,000 warrants to its agent with an exercise price of $0.10 per share exercisable for a period of 24 months. The agent's warrants were valued at $18,244. The Company also paid $9,300 in professional fees relating to this share issuance.

Concurrent with the IPO, the Company also completed a non-brokered private placement of 2,000,000 common shares at $0.10 per share to raise gross proceeds of $200,000 contemplated in the Prospectus. The Company paid $10,000 in finder's fee.

During the period from inception on January 02, 2020 to July 31, 2020

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 this share issuance.

At April 30, 2021, there were 10,450,000 (July 31, 2020: 4,950,000) common shares issued and outstanding.

Escrowed shares

In conjunction with the Company's application to become a CPC, 4,950,000 shares at April 30, 2021 (July 31, 2020: 4,950,000) 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.

Concurrent with closing of the IPO, the Company also granted incentive stock options to its directors and officers to purchase up to 1,045,000 common shares, which are exercisable at a price of $0.10 per share for a period of ten years from the date of grant.

In relation to the grant, the Company recorded stock-based compensation expense of $93,071 during the period ended April 30, 2021, which was determined using the Black-Scholes model and the following assumptions: Price at date of grant - $0.10; Exercise price - $0.10; Life of stock option – 10 years; Volatility – 100%, Risk-free rate – 0.80%; Dividend rate – 0%.

As at April 30, 2021, these 1,045,000 stock options remained outstanding and have a weighted average exercise price of $0.10 and a weighted average outstanding life of 9.73 years.

3. SHARE CAPITAL (CONTINUED)

Warrants

As disclosed above, on January 21, 2021, 350,000 agent's warrants were issued in connection with the IPO. The warrants were valued at $18,244, estimated using the Black-Scholes model and the following assumptions: Price at date of grant - $0.10; Exercise price - $0.10; Life of warrants – 2 years; Volatility – 100%, Risk-free rate – 0.80%; Dividend rate – 0%.

4. NET LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine months ended April 30, 2021 was based on the loss attributable to common shareholders of $8,046 for the three-month period and $175,475 for the nine-month period, and the weighted average number of common shares outstanding of 10,450,000 and 6,944,505, respectively.

Diluted loss per share did not include the effect of 1,045,000 stock options as they are anti-dilutive

5. RELATED PARTY BALANCE AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer ("CEO") and chief financial officer ("CFO") of the Company.

Key management personnel compensation during the nine months ended April 30, 2021 is comprised solely the stock-based compensation expense of $93,071. There was no compensation for key management personnel incurred during the period from incorporation on January 02, 2020 to April 30, 2020.

At April 30, 2021, there were no balances owing to or from related parties (July 31, 2020: $Nil).

6. 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.

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 $3,000 per month in aggregate may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Company as defined under the policies of the Policy.

7. 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 April 30, 2021, the Company had cash of $516,540 to settle current liabilities of $2,345 which fall due for payment within 12 months.

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.