Samurai Capital Corp.
(A Capital Pool Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the Third Quarter Ended October 31, 2021

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

(Expressed in Canadian dollars)

	October 31, 2021	January 31, 2021
	$	$
ASSETS		
Cash	179,893	124,986
Prepaid expense	10,500	-
	190,393	124,986
Total assets	190,393	124,986
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	-	16,530
Total liabilities	-	16,530
SHAREHOLDERS' EQUITY		
Reserves (Note 4)	43,000	-
Share capital (Note 4)	253,733	120,000
Deficit	(106,340)	(11,544)
Total shareholders' equity	190,393	108,456
Total liabilities and shareholders' equity	190,393	124,986

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on December XX 2021:

"Anthony Zelen" Director

" Craig Taylor" Director

(Expressed in Canadian dollars)

	For the three months ended October 31, 2021	For the nine months ended October 31, 2021
	$	**$**
Expenses		
Audit and accounting fees	-	13,300
Bank charges	116	1,017
Legal fees	-	21,581
Regulatory and filing (recovery)	(1,700)	26,398
Share-based compensation	-	32,500
Net income (loss) and comprehensive income (loss) for the period	(1,587)	(94,796)
Earnings (loss) per share		
Basic and diluted	4,400,000	3,550,183
Weighted average number of common shares outstanding (basic and diluted)	(0.00)	(0.03)

(Expressed in Canadian dollars unless otherwise stated)

	Number of outstanding shares	Share capital	Reserves	Deficit	Total shareholders' equity
		$	$	$	$
Balance, December 17, 2020 (date of incorporation)	**-**	**-**	**-**	**-**	**-**
Founder shares issued for cash	2,400,000	120,000	-	-	120,000
Loss for the period	-	-	-	(11,544)	(11,544)
Balance, January 31. 2021	**2,400,000**	**120,000**	**-**	**(11,544)**	**108,456**
Initial public offering	2,000,000	200,000	-		200,000
Finder's fees - cash	-	(20,000)	-	-	(20,000)
Finder's fee – compensation options	-	(10,500)	10,500	-	-
Share issuance costs		(35,767)	-	-	(35,767)
Stock-based compensation	-	-	32,500		32,500
Loss for the period	-	-	-	(94,796)	(94,796)
Balance, October 31, 2021	**4,400,000**	**253,733**	**43,000**	**106,340**	**190,393**

(Expressed in Canadian dollars)

	For the nine months ended October 31, 2021
	$
Cash provided by (used in)	
Operating activities	
Loss for the period	(94,796)
Non-cash items:	
Stock-based compensation	32,500
Changes in non-cash working capital items:	
Prepaid expense	(10,500)
Accounts payable and accrued liabilities	(16,530)
Net cash used in operating activities	(89,326)
Cash flow from financing activities	
Initial public offering	200,000
Finders fees and share issuance costs	(55,767)
Net cash provided from financing activities	144,233
Change in cash, for the period	54,907
Cash - beginning of period	124,986
Cash - end of period	179,893

1. Nature of operations and going concern

Nature of operations

Samurai Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on December 17, 2020. On May 27, 2021, the Company completed its initial public offering ("IPO") and the shares of the Company began trading on the TSX Venture Exchange under the symbol "SSS". The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") 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 head office, principal address and registered office of the Company are located at Suite 605 – 815 Hornby Street, Vancouver, B.C. V6Z 2E6, Canada.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has not generated revenues from operations, and there is no assurance that the Company will identify a QT under the policies of the Exchange. If a QT is not completed, the Company will need to identify other sources of financing to remain as a going concern. As at October 31, 2021, the Company has a working capital surplus of $190,393. The Company has incurred losses from inception. During the period ended October 31, 2021, the Company recorded a loss of $94,796 and has a deficit of $106,340. These circumstances have resulted in a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

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, have 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.

2. Basis of presentation and significant accounting policies

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of December 14, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended January 31, 2021 except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending January 31, 2022 could result in the restatement of these condensed interim financial statements.

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. These financial statements are presented in Canadian Dollars, which is also the Company's functional currency.

2. Basis of presentation and significant accounting policies (continued)

Significant accounting policies

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.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities, are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

At present, the Company's cash is measured as FVTPL and its accounts payable and accrued liabilities are measured at amortized cost.

2. Basis of presentation and significant accounting policies (continued)

Financial instruments (continued)

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

Loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Common shares escrowed pursuant to the requirements of the Exchange are excluded from the number of outstanding common shares.

Diluted loss per share is computed by dividing the net 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.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is calculated based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company's accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. A valuation allowance is recorded against any deferred tax asset if it is not probable to be utilized against future taxable profit.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

2. Basis of presentation and significant accounting policies (continued)

Related party 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. Parties are also considered to be related if they are subject to common control, 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.

Share capital and share issuance costs

The Company's common shares and any future offerings of share warrants and options are classified as equity instruments. Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

Share-based compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of the share-based compensation awards is determined at the date of grant using the Black-Scholes option pricing model. The fair value of the award is charged to profit or loss, unless they are considered to be share issuance costs in which case they are booked as a reduction to share capital, and credited to reserves rateably over the vesting period, after adjusting for the number of awards that are expected to vest. Expenses recognized for forfeited awards are reversed. For awards that are cancelled, any expense not yet recognized is recognized immediately in profit or loss. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period.

Warrants

Warrants issued to agents in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged as share issuance costs associated with the offering with an offsetting credit to Share-based payment and warrants reserve.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in Share-based payment and warrants reserve.

2. Basis of presentation and significant accounting policies (continued)

Changes in accounting standards

New accounting standards adopted during the year

IFRS 16 – Leases

The Company has adopted IFRS 16, Leases ("IFRS 16") which is effective for annual periods beginning on or after January 1, 2019. The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets.

The Company adopted this standard effective December 17, 2020 (date of incorporation) and it did not have any material impacts on the financial statements upon adopting the standard.

3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could have a material impact on future results of the Company's financial statements.

The Company's significant accounting judgments and estimates have been applied in these financial statements:

Judgments

The evaluation of the Company's ability to continue as a going concern

Estimations

The measurement of deferred income tax assets and liabilities; and

The inputs used in accounting for share-based compensation expense and for agents' options recorded in share capital and reserves.

4. Share Capital and Reserves

Authorized

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

Share issuances

For the period ended October 31, 2021

On May 27, 2021, the Company completed an IPO whereby 2,000,000 common shares were issued for $0.10 per share for gross proceeds of $200,000. A cash finders fee was paid in the amount of $20,000, and 200,000 compensation options were issued exercisable into common shares of the Company at $0.10 per share until May 27, 2023. In addition, the Company paid a $10,000 corporate finance fee.

From December 17, 2020 (date of incorporation) to January 31, 2021

Escrowed Shares
Upon completion of the Company's initial public offering, the 2,400,000 currently issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange. 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional 25% will be released on each of the dates which are 6 months, 12 months, and 18 months following the Initial Release.

All common shares acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

Options
On May 27, 2021, the Company granted 440,000 options to directors and officers of the Company. These options had a fair value of $32,500 using the Black Scholes model with the following inputs: i) exercise price: $0.10; ii) share price: $0.10; iii) term: 5 years; iv) volatility: 100%; v) discount rate: 0.41%. As at October 31, 2021, these options had remaining life of 4.57 years.

Compensation Options
On May 27, 2021, the Company granted 200,000 compensation options related to the closing of IPO. These options had a fair value of $10,500 using the Black Scholes model with the following inputs: i) exercise price: $0.10; ii) share price: $0.10; iii) term: 2 years; iv) volatility: 100%; v) discount rate: 0.41%. As at October 31, 2021, these options had remaining life of 1.57 years.

5. Financial Instruments

As at October 31, 2021, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company believes that the carrying values of cash, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company's cash is considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the period ended October 31, 2021.

5. Financial Instruments (continued)

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As the Company's cash is held in one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As of October 31, 2021, the Company's exposure to credit risk is minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through equity offerings. There is no assurance of continued access to significant equity funding.

(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 value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

6. Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. 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. Additional funds may be required to finance the Company's QT. In accordance with Policy 2.4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a QT, 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 such identification and evaluation of businesses or assets. These restrictions apply until completion of a QT by the Company as defined under Policy 2.4 of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval to list its shares on the Exchange.

7. Related Party Transactions

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, including entities controlled by such persons. The key management personnel include the Company's executive management team and the Board of Directors.

During the period ended October 31, 2021, the Company paid $5,250 to the Chief Financial Officer for professional accounting services provided to the Company relating to the IPO.