M3 Capital Corp.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2022

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements of the Company for the period ended June 30, 2022 have been prepared by management and have not been subject to review by the Company's auditors.

Contents

M3 CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

	Note		**June 30, 2022**		**December 31, 2021**
Assets					
Current					
Cash and cash equivalents		$	227,568	$	256,885
Prepaid expenses			-		24,125
			227,568		281,010
Total Assets			227,568		281,010
Liabilities					
Current					
Accounts payable and accrued liabilities		$	10,000	$	10,000
			10,000		10,000
Total Liabilities			10,000		10,000
Shareholders' Equity					
Share capital	6(b)		281,010		281,010
Deficit			(63,442)		(10,000)
Total Shareholders' Equity			217,568		271,010
Total Liabilities and Shareholders' Equity		$	227,568		281,010

These condensed interim financial statements are approved by the Board on August 29, 2022

Approved by the Board of Directors:

/s/Morris Chia

Morris Chia

/s/Jimmy Chow

Jimmy Chow

See the notes to the condensed interim financial statements

M3 CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(Presented in Canadian Dollars)

	Note		Three months ended June 30, 2022		Six months ended June 30, 2022		For the period from incorporation on September 8, 2021 to December 31, 2021
General and administrative							
Professional fees	7	$	-	$	13,702	$	10,000
Agent fees			12,062		24,125		-
Filing fees			5,250		15,615		-
Total operating expenses			17,312		53,442		10,000
Net loss and comprehensive loss for the period		$	17,312	$	53,442	$	10,000
Basic and diluted loss per share		$	0.00	$	0.01	$	0.01
Weighted average number of common shares outstanding			5,620,200		5,620,200		1,759,367

See the notes to the condensed interim financial statements

M3 CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Presented in Canadian Dollars)

		Share Capital			
	Note	**Number of Shares**	**Amount**	**Deficit**	**Total Shareholders' Equity**
Balance, September 8, 2021		-	$ -	$ -	$ -
Seed shares	6(b)	5,620,200	281,010	-	281,010
Net loss for the period		-	-	(10,000)	(10,000)
Balance, December 31, 2021		5,620,200	$ 281,010	$ (10,000)	$ 271,010
Loss for the period		-	-	(53,442)	(53,442)
Balance, June 30, 2022		5,620,200	281,010	(63,442)	217,568

See the notes to the condensed interim financial statements

M3 CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Presented in Canadian Dollars)

	Note		Six months ended June 30, 2022		For the period from incorporation on September 8, 2021 to December 31, 2021
Cash provided by (used in)					
Operating Activities					
Loss for the period		$	(53,442)	$	(10,000)
Changes in non-cash working capital items:					
Prepaid expenses			24,125		(24,125)
Accounts payable and accrued liabilities			-		10,000
Net cash (used in) operating activities			(29,317)		(24,125)
Financing Activities					
Proceeds from issuance of common shares	6(b)		-		281,010
Net cash provided by financing activities			-		281,010
Change in cash and cash equivalents			(29,317)		256,885
Cash and cash equivalents, beginning of the period			256,885		-
Cash and cash equivalents, end of the period		$	227,568	$	256,885

See the notes to the condensed interim financial statements

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

M3 Capital Corp. (the "Company") is incorporated and domiciled in Canada under the Business Corporations Act (Alberta), and its registered office is Suite 800 Dome Tower, 333 – 7th Avenue SW, Calgary, AB, T2P 2Z1.

Since incorporation, the Company's sole activity has been the preparation of a prospectus to become listed on the TSX Venture Exchange (the "Exchange") as a "Capital Pool Company" as defined in the Exchange's Listing Policy 2.4.

As a Capital Pool Company, the principal business of the Company is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the Exchange. Until the completion of such a Qualifying Transaction ("QT"), as defined under Exchange Listing Policy 2.4, the Company will not carry on any business other than the identification and evaluation of assets or businesses in this connection. The Company does not have business operations or assets other than cash, and has no written or oral agreements for the acquisition of an asset or business at this time.

These condensed interim financial statements (the "Financial Statements") have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company is recently incorporated, has no source of operating revenues and its capacity to operate as a going concern in the near-term will likely depend on its ability to continue raising equity financing, to complete an initial public offering as described below, and to ultimately complete a QT.

2. BASIS OF PREPARATION - STATEMENT OF COMPLIANCE

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent audited financial statements for the period ended December 31, 2021.

These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the audited financial statements for the period ended December 31, 2021. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six-month period ended June 30, 2022 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2022.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair values of the Company's cash and accounts payable and accrued liabilities approximate their carrying values.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk and liquidity risk.

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 bank account. The Company's bank account is held with a major bank in Canada; accordingly, the Company believes it is not exposed to significant credit risk.

b) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at June 30, 2022, the Company had a cash balance of $227,568.

5. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is subject to the TSX Venture Exchange policy in terms of limitations on general and administrative charges as well as permitted use of proceeds for a capital pool company.

6. SHARE CAPITAL

(a) Authorized:

At June 30, 2022, the authorized share capital was comprised of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. The common shares do not have a par value. All issued shares are fully paid.

(b) Share issuances:

On November 26, 2021, the Company closed a seed round of financing of 5,620,200 common shares at a price of $0.05 per share for gross proceeds of $281,010.

These 5,620,200 common shares are to be placed in escrow upon the successful application of the Company as a Capital Pool Company. The release of these shares from escrow is on a time basis, as to 25% upon the completion of a QT and an additional 25% every six months thereafter over a period of 18 months.

(c) Stock options:

The Company has established a stock option plan for its directors, officers, and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares as at the date of grant and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares as at the date of grant. Subject to regulatory approval, the Company agreed to grant options to acquire up to a total of 1,062,020 common shares to the directors and officers of the Company contemporaneous with closing of its initial public offering, which options are exercisable at $0.10 per share. These options are non-transferable and will expire on the tenth anniversary of their date of issue if unexercised. Subsequent to the period end, the final prospectus was filed (see Note 8).

7. RELATED PARTY TRANSACTIONS

During the six-month period ended June 30, 2022, the Company paid $13,702 (December 31, 2021 - $nil) of legal fees to a law firm of which one of the directors of the Company is a partner.

8. INITIAL PUBLIC OFFERING

On August 15, 2022 the Company signed an agreement with iA Private Wealth (the “Agent”) to act as an agent for its initial public offering. The Company filed its final prospectus with the Ontario, Manitoba, Saskatchewan, Alberta and British Columbia Securities Commissions relating to the sale and issue of 5,000,000 common shares at a price of $0.10 per share for gross proceeds of $500,000 (the “Offering”).

The Company will pay the Agent a Commission (as defined below) and issue the Agent’s Option (as defined below) upon closing of the Offering (the “Closing”, and such date the “Closing Date”). The Company also paid to the Agent: (i) a non-refundable corporate finance fee of $12,500 plus applicable taxes (the “Corporate Finance Fee”); and (ii) a non-refundable deposit of $10,000 against all reasonable out-of-pocket expenses and disbursements of the Agents.

8. INITIAL PUBLIC OFFERING (continued)

The Company will pay the Agent a cash commission of 10% of the gross proceeds raised in respect of the Offering. In addition, the Company will issue options (the "Agent's Option") to the Agent, exercisable for a period of 5 years from the Closing Date, to acquire in aggregate that number of common shares on the same terms as the Offering, which is equal to 10% of the number of common shares sold under the Offering.

In connection with this agreement, the Company made a cash payment of $24,125 to the Agent in advance.