

**Cardinal Capital Partners Inc.**

**Consolidated Condensed Interim Financial Statements  
(Unaudited)**

**March 31, 2017**

## Management's Responsibility for Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Cardinal Capital Partners Inc. (the "Company" or "Cardinal") are the responsibility of the Board of Directors.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"signed Chris Carmichael"  
Chris Carmichael  
Chief Executive Officer

"signed Andrew Hilton"  
Andrew Hilton  
Chief Financial Officer

Toronto, Canada  
May 30, 2017

### NOTICE TO READER

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three months ended March 31, 2017 have not been reviewed by the Company's auditors.

**Cardinal Capital Partners Inc.**  
 Consolidated Statements of Financial Position  
 (Unaudited)  
 (Expressed in Canadian dollars)

|   | March 31<br>2017    | December 31<br>2016 |
|---|---------------------|---------------------|
| <b>Assets</b>                                     |                     |                     |
| <b>Current</b>                                    |                     |                     |
| Cash  | \$ 795              | \$ 795              |
|   | <u>\$ 795</u>       | <u>\$ 795</u>       |
| <b>Liabilities</b>                                |                     |                     |
| <b>Current</b>                                    |                     |                     |
| Accounts payable and accrued liabilities (note 6) | \$ 81,455           | \$ 75,720           |
| Deposit (note 6)                                  | 20,000              | 20,000              |
|   | <u>101,455</u>      | <u>95,720</u>       |
| <b>Shareholders' Equity (Deficiency)</b>          |                     |                     |
| Share capital (note 5(b))                         | 8,123,310           | 8,123,310           |
| Contributed surplus                               | 15,368,610          | 15,368,610          |
| Deficit   | <u>(23,592,580)</u> | <u>(23,586,846)</u> |
|   | <u>(100,660)</u>    | <u>(94,926)</u>     |
|   | <u>\$ 795</u>       | <u>\$ 795</u>       |

Going concern (note 1); Liquidity risk (note 8).

On Behalf of the Board

Signed: "Chris Carmichael ", Director

Signed: "Peter MacLean ", Director

The accompanying notes are an integral part of these consolidated financial statements.

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**Cardinal Capital Partners Inc.**

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

**For the three months ended March 31, 2017 and 2016**

(Unaudited)

(Expressed in Canadian dollars)

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|                                 | <b>Share<br/>Capital</b> | <b>Contributed<br/>Surplus</b> | <b>Deficit</b> | <b>Total</b> |
|---------------------------------|--------------------------|--------------------------------|----------------|--------------|
|                                 | \$                       | \$                             | \$             | \$           |
| <b>Balance, January 1, 2016</b> | 8,123,310                | 15,347,579                     | (23,532,059)   | (61,170)     |
| Net (loss) for the period       | -                        | -                              | (5,222)        | (5,222)      |
| <b>Balance, March 31, 2016</b>  | 8,123,310                | 15,347,579                     | (23,537,281)   | (66,392)     |

|                                 | <b>Share<br/>Capital</b> | <b>Contributed<br/>Surplus</b> | <b>Deficit</b> | <b>Total</b> |
|---------------------------------|--------------------------|--------------------------------|----------------|--------------|
|                                 | \$                       | \$                             | \$             | \$           |
| <b>Balance, January 1, 2017</b> | 8,123,310                | 15,368,610                     | (23,586,846)   | (94,925)     |
| Net (loss) for the period       | -                        | -                              | (5,735)        | (5,735)      |
| <b>Balance, March 31, 2017</b>  | 8,123,310                | 15,368,610                     | (23,592,580)   | (100,660)    |

The accompanying notes are an integral part of these consolidated financial statements.

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**Cardinal Capital Partners Inc.**

Consolidated Statements of Comprehensive (Loss)

**For the three months ended March 31, 2017 and 2016**

(Unaudited)

(Expressed in Canadian dollars)

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|   | <b>2017</b>      | <b>2016</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| <b>Expenses</b>   |                  |                  |
| General office and administration (note 7)                | 5,735            | 5,222            |
| <b>Net (loss) and comprehensive (loss) for the period</b> | <u>5,735</u>     | <u>5,222</u>     |
| <b>Basic and diluted net (loss) per share (note 6)</b>    | <u>(0.00)</u>    | <u>(0.00)</u>    |
| <b>Weighted average number of shares outstanding</b>      | <u>9,566,579</u> | <u>9,566,579</u> |

The accompanying notes are an integral part of these consolidated financial statements.

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**Cardinal Capital Partners Inc.**  
Consolidated Statements of Cash Flows  
**For the three months ended March 31, 2017 and 2016**  
(Unaudited)  
(Expressed in Canadian dollars)

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|  | <b>2017</b>   |    | <b>2016</b> |
|--|---------------|----|-------------|
| <b>Operating activities</b>                          |               |    |             |
| Net (loss) for the period                            | \$ (5,735)    | \$ | (5,222)     |
| Items not affecting cash:                            |               |    |             |
| Changes in accounts payable and accrued liabilities  | 5,735         |    | 5,222       |
| <b>Net cash flows (used in) operating activities</b> | <u>-</u>      |    | <u>-</u>    |
| <b>Increase (decrease) in cash</b>                   | -             |    | -           |
| <b>Cash</b> , beginning of period                    | 795           |    | 795         |
| <b>Cash</b> , end of period                          | <u>\$ 795</u> | \$ | <u>795</u>  |

The accompanying notes are an integral part of these consolidated financial statements.

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## **Cardinal Capital Partners Inc.**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2017 and 2016**

(Unaudited)

(Expressed in Canadian dollars)

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### **1. Nature of Business and Going Concern**

Cardinal Capital Partners Inc. ("the Company" or "Cardinal") was a merchant bank that assumed the role of participating lender in the acquisition, development, sales and management of real estate properties that met a predetermined set of guidelines within North American markets. On September 30, 2009 the Company ceased its operations upon the sale of its wholly-owned subsidiary Global Development Resources, Inc. (USA) ("GDR USA"). As a result of the sale of GDR USA, the Company no longer has continuing operations.

Cardinal is a publicly traded company incorporated and domiciled in Ontario. The Company's registered office is as follows: 201-55 York Street, Toronto, ON M5J 1R7. The Company's common shares are listed on the NEX board of the Toronto Venture Exchange under the symbol CCP.H.

Since inception, the Company has incurred losses and net cash outflows from operations and has funded operations through common stock issuances and debt in order to meet its strategic objective. As at March 31, 2017 the Company had \$795 in assets to satisfy liabilities of \$101,455. As a result of the foregoing, there exists significant doubt about the Company's ability to continue as a going concern. Management is continuing to pursue additional financing and other business opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue to fund its operations. These consolidated financial statements do not include any adjustments that might be necessary if the going concern assumption was not appropriate.

### **2. Basis of Presentation**

Statement of Compliance

These unaudited interim consolidated condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and do not include all of the information required for full annual financial statements..

These consolidated financial interim statements are prepared using IFRSs in effect at May 30, 2017, the date of the Board of Directors approving the consolidated financial statements. Significant accounting policies used in the preparation of the consolidated financial statements are described in Note 3.

### **3. Summary of Significant Accounting Policies**

#### Basis of Consolidation

All significant intercompany transactions and balances have been eliminated.

#### (i) Subsidiaries

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Eco Logic Chemical Technologies Inc. and Eco Logic Solutions Inc., both of which are inactive.

#### Use of Estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

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## Cardinal Capital Partners Inc.

Notes to Consolidated Financial Statements

For the three months ended March 31, 2017 and 2016

(Unaudited)

(Expressed in Canadian dollars)

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### 3. Summary of Significant Accounting Policies - continued

#### Financial Instruments

Financial assets are classified into one of four categories: fair value through profit or loss, held-to-maturity, loans and receivables and available-for-sale; financial liabilities are classified into one of two categories: fair value through profit or loss and other financial liabilities. The subsequent treatment of changes in fair value depends on their initial classification, as follows: fair value through profit or loss financial assets are measured at fair value and changes in fair value are recognized in net income or loss; available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income or loss until the investment is derecognized or impaired at which time the amounts are recorded in net income or loss.

Cash is designated as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities are designated as other financial liabilities which are measured at amortized cost. The fair values of all financial instruments outstanding at March 31, 2017 approximate their carrying values.

#### Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment.

#### Revenue Recognition

Interest income is recorded on an accrual basis using the effective interest method.

#### Income Taxes

Income tax expense comprises current and deferred components.

Current income tax expense is the expected tax payable for the current period's taxable income based on rates enacted or substantively enacted at the end of the reporting period and any adjustments to previous estimates.

Deferred income taxes are calculated using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in expected future tax rates is recognized in net (loss) income in the period that includes the date of substantive enactment of the revised tax rates. Deferred tax assets are recognized to the extent that it is probable that they will be realized.



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## Cardinal Capital Partners Inc.

Notes to Consolidated Financial Statements

For the three months ended March 31, 2017 and 2016

(Unaudited)

(Expressed in Canadian dollars)

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### 3. Summary of Significant Accounting Policies - continued

#### Earnings (loss) per Share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by dividing net earnings available to common shareholders for the period by the diluted weighted average number of common shares outstanding during the period. The diluted weighted average number of shares includes the potential dilution from common shares issuable through stock options, if dilutive, using the treasury stock method. The treasury stock method assumes that the proceeds from any shares issued on the exercise of stock options are used by the Company to repurchase and cancel shares at the average market price of the Company's share price for the period. As such, where the strike price of stock options exceeds the average market price of the Company's shares for the reporting period, the inclusion of these shares under the treasury stock method would be anti-dilutive, so these shares are excluded from the calculation of the weighted average number of diluted common shares.

In years that the Company reports a net loss, loss per share is not presented on a diluted basis, as the result would be anti-dilutive.

#### Share - based Payment Transactions

The fair value of share options granted to employees, officers and directors is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized immediately. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted.

### 4. New and Revised IFRS's in Issue but Not Yet Effective

A number of new standards and issued amendments to standards and interpretations are not yet effective for the period ending March 31, 2017, and have not been applied when preparing these consolidated financial statements. The following standard is the only such standard which management believes may be applicable to the Company. The Company does not anticipate any impact on its consolidated financial statements as a result of adopting the following new standard:

#### IFRS 9 - Financial instruments

IFRS 9, "Financial instruments" ("IFRS 9") was issued by the IASB in its final form in July 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

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**Cardinal Capital Partners Inc.**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2017 and 2016**

(Unaudited)

(Expressed in Canadian dollars)

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**5. Share Capital**

## a) Authorized

Unlimited (March 31, 2017 – unlimited) common shares

Unlimited (March 31, 2017 – unlimited) preferred shares

## b) Shares issued and outstanding

|  | <b>Number of<br/>Shares</b> | <b>Amount</b> |
|--|-----------------------------|---------------|
| <b>Common shares</b>                                 |                             |               |
| <b>Balance, December 31, 2015 and March 31, 2016</b> | 9,566,579                   | \$ 8,123,310  |
| <b>Balance, December 31, 2016 and March 31, 2017</b> | 9,566,579                   | \$ 8,123,310  |

## c) Stock Options Outstanding

Cardinal has a stock option plan (the "Plan") which was approved by the Board of Directors of the Company. The total amount of shares reserved for issuance under the Plan is equal to 10% of the outstanding common shares.

The Plan is for the benefit of the employees, officers and directors and certain consultants of Cardinal and its subsidiaries. The Plan is administered by the Compensation Committee of the Board of Directors of the Company. The Compensation Committee may from time to time designate individuals to whom options to purchase shares of the capital stock of the Company may be granted and the number of shares to be optioned to each. The option price per share which is the subject of any option shall be fixed by the Board of Directors when such option is granted. The option price can be discounted according to the rules of the Exchange at the time the option is granted. It is Cardinal's policy that options vest fully upon issuance. The period during which an option is exercisable shall not exceed five years from the date the option is granted. The options may not be assigned, transferred or pledged. Subject to any grace period allowed under the policies of the Exchange, the options will expire upon the termination of the employment or office with Cardinal or any of its subsidiaries or death of an individual. The total number of shares to be optioned to any one individual cannot exceed five percent of the total of the issued and outstanding shares.

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at March 31, 2017 are as follows:

| Exercise Price | <b>Options Outstanding</b> |                                 |  | <b>Options Exercisable</b> |                                 |
|----------------|----------------------------|---------------------------------|--|----------------------------|---------------------------------|
|                | Number Outstanding         | Weighted-Average Exercise Price | Average Remaining Contractual Life (years) | Number Exercisable         | Weighted-Average Exercise Price |
| \$0.05         | 800,000                    | \$0.05                          | 1.09                                       | 800,000                    | \$0.05                          |
| Total          | 800,000                    | \$0.05                          | 1.09                                       | 800,000                    | \$0.05                          |

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**Cardinal Capital Partners Inc.**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2017 and 2016**

(Unaudited)

(Expressed in Canadian dollars)

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**6. Related Party Transactions and Balances**

(a) At March 31, 2017 accounts payable and accrued liabilities included \$30,013 (December 31, 2016 - \$27,888) payable to officers and directors of the Company.

(b) On June 6, 2016 the Company announced that it has executed a definitive agreement ("Agreement") for a business combination (the "Transaction") with Minotaur Atlantic Exploration Ltd. ("Minotaur"), a private Ontario corporation. The Transaction is expected to take the form of an amalgamation, arrangement, share purchase, or similar form of business combination. Under the terms of the Agreement, the Transaction will be structured such that each Cardinal shareholder will receive one (1) combined entity ("Amalco") share for each two (2) Cardinal shares owned and each Minotaur shareholder will receive one (1) Amalco shares for each one (1) Minotaur share owned. Chris Carmichael, Chief Executive Officer and Director of the Company is the Chief Financial Officer of Cogonov, Minotaur's former parent company. Completion of the Transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval.

The Company received a non-interest bearing, unsecured deposit in the amount of \$20,000 during the year, pursuant to the terms of the Agreement. However, the Transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

**Compensation of key management personnel**

The remuneration expense of directors and other members of key management personnel during the three months ended March 31, 2017 and 2016 were as follows:

|                       | 2017     | 2016     |
|-----------------------|----------|----------|
| Salaries and benefits | \$ -     | \$ -     |
| Total                 | <u>-</u> | <u>-</u> |

**7. Income Taxes**

The estimated taxable income for the three months ended March 31, 2017 is \$Nil (March 31, 2016 - \$Nil). Based on the level of historical taxable income it cannot be reasonably estimated at this time if it is more likely than not the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by an equivalent estimated taxable temporary difference valuation allowance.

The estimated taxable temporary difference valuation allowance will be adjusted in the period in which it is determined that it is more likely than not that some portion or all of the future tax assets or future tax liabilities will be realized.

For further information on the Company's actual losses for tax purposes, refer to the December 31, 2016 audited financial statements. The benefit of these losses and the estimated loss for the period ended have not been recognized in these financial statements.

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**Cardinal Capital Partners Inc.**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2017 and 2016**

(Unaudited)

(Expressed in Canadian dollars)

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**8. Risk Management and Financial Risks***Capital Management*

The Company manages its shareholders' equity (currently a deficiency) as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may attempt to issue new shares or debt, or adjust the amount of cash. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits. The Company is not subject to any externally imposed capital requirements.

*Financial Risks*

The Company's risk exposures and the impact on its financial instruments are summarized below:

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017, the Company had current assets of \$795 (December 31, 2016 - \$795) to settle current liabilities of \$101,455 (December 31, 2016 - \$95,720). (See note 1).

*Credit Risk*

The credit risk relates to the cash on hand, which is held in a single financial institution.

**9. Subsequent Events**

There were no subsequent events that would have a material impact on these financial statements.