

Condensed consolidated interim financial statements of

BLACKHAWK GROWTH CORP.

For the Three Months Ended September 30, 2020 and 2019

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF 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 interim 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 consolidated interim 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BLACKHAWK GROWTH CORP.Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2020	June 30, 2020
		(audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 555,469	\$ 619,373
Trade and other receivables (note 9(a))	68,286	45,269
Prepaid expenses and deposits	70,844	99,106
Investment at fair value – Short term loans (note 4)	349,609	349,609
Investments at fair value – equity (note 4)	3,260,050	1,170,000
Total assets	\$ 4,304,258	\$ 2,283,357
LIABILITIES		
Current liabilities		
Trade and other payables (note 9(b))	\$ 247,865	\$ 429,145
	247,865	429,145
SHAREHOLDERS' EQUITY		
Share capital (note 5)	14,797,944	12,607,944
Contributed surplus	1,179,108	1,081,869
Deficit	(11,920,659)	(11,835,601)
Total shareholders' equity	4,056,393	1,854,212
Total liabilities and shareholders' equity	\$ 4,304,258	\$ 2,283,357

Going concern (note 3)

Subsequent events (note 11)

See accompanying notes to the condensed consolidated interim financial statements.

Approved for issuance by the Board of Directors on November 25, 2020

Signed "*Dave Antony*"

Director

Signed "*Frederick Pels*"

Director

BLACKHAWK GROWTH CORP.Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Three months ended September 30,	2020	2019
Revenues		
Net investment gains (losses)		
Net change in unrealized gain (loss) on investments (note 4)	\$ 200,050	\$ (40,162)
Interest revenue (note 4)	20,707	3,975
Total revenues	220,757	(36,187)
Expenses		
General and administrative	28,661	37,507
Consulting (note 6)	35,500	103,000
Directors fee (note 6)	-	7,500
Professional fees	84,317	24,260
Bank service charges	302	140
Share based compensation (note 5)	97,239	47,434
Total expenses	246,019	219,841
Loss before other items	(25,262)	(256,028)
Other expenses		
Loss on settlement of debts (note 5)	(48,000)	-
Write-off of investments (note 4)	(11,796)	-
Total other expenses	(59,796)	-
Net loss and comprehensive loss	\$ (85,058)	\$ (256,028)
Net loss per share (note 7)		
Net loss basic and diluted	\$ (0.00)	\$ (0.00)

See accompanying notes to the condensed consolidated interim financial statements.

BLACKHAWK GROWTH CORP.Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

Three months ended September 30,	2020	2019
Share capital		
Balance, beginning of year	\$ 12,607,944	\$ 9,749,813
Issued common shares for purchase of investments (note 5)	1,938,000	-
Issued common shares pursuant to private placement (note 5)	-	1,000,000
Issued common shares pursuant to debt settlements (note 5)	252,000	-
Balance, end of period	14,797,944	10,749,813
Contributed surplus		
Balance, beginning of year	1,081,869	846,680
Share based compensation (note 5)	97,239	47,434
Balance, end of period	1,179,108	894,114
Deficit		
Balance, beginning of year	(11,835,601)	(9,970,380)
Net income (loss)	(85,058)	(256,028)
Balance, end of period	(11,920,659)	(10,226,408)
Shareholders' equity	\$ 4,006,344	\$ 1,417,519

See accompanying notes to the condensed consolidated interim financial statements.

BLACKHAWK GROWTH CORP.Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Three months ended September 30,	2020	2019
Cash provided by (used in)		
Operations:		
Net loss from operations	\$ (85,058)	\$ (256,028)
Items not affecting cash:		
Net change in unrealized (gain) loss on investments	(200,050)	40,162
Accrued interest income	(20,707)	-
Share based compensation	97,239	47,434
Loss on settlement of debts	48,000	-
Write-off of investments	11,796	-
Change in operating working capital		
Trade and other receivables	(14,106)	(5,187)
Purchase of investments	-	(63,584)
Prepaid expenses and deposits	28,262	(139,412)
Trade and other payables	70,720	258,738
Cash used for continued operations	(63,904)	(117,877)
Net change in cash and cash equivalents	(63,904)	(117,877)
Cash and cash equivalents, beginning of the year	619,373	165,331
Cash and cash equivalents, end of the year	\$ 555,469	\$ 47,454
Supplemental cash flow information:		
Interest received	\$ -	\$ 3,975

See accompanying notes to the condensed consolidated interim financial statements.

BLACKAWK GROWTH CORP.

Notes to the Condensed consolidated interim financial statements
Three months ended September 30, 2020 and 2019

1. General information:

Blackhawk Growth Corp. (the “Company”) was incorporated under the Business Corporations Act (Alberta) on March 25, 1986.

The Company invests in equity and debt instruments of companies to generate positive returns for shareholders.

The Company’s registered office is located at Suite 3810, Bankers Hall West, 888 - 3 Street SW, Calgary, Alberta, T2P 5C5.

2. Basis of preparation:

Statement of compliance

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 (“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 interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual consolidated financial statements as at and for the year ended June 30, 2020.

These condensed consolidated interim financial statements do not include all of the information and note disclosures required for annual financial statements and should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended June 30, 2020. The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Corporation’s audited consolidated financial statements for the year ended June 30, 2020. The Corporation’s interim results are not necessarily indicative of its results for a full year.

Basis of presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except as disclosed in note 4 of the audited consolidated financial statements as of and for the year ended June 30, 2020.

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency. The Corporation presents its consolidated financial position on a non-classified basis in order of liquidity.

BLACKAWK GROWTH CORP.

Notes to the Condensed consolidated interim financial statements

Three months ended September 30, 2020 and 2019

3. Going concern:

For the three months ended September 30, 2020, the Company reported a net and comprehensive loss of \$85,058 (2019 – \$256,028) and has an accumulated deficit of \$11,920,659 (June 30, 2020 - \$11,835,601). These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. As at September 30, 2020, the Company has \$555,469 (2019 - \$619,373) in cash available to meet its liabilities as they become due. The Company will manage its activity levels, expenditures and commitments based on its current cash position.

The condensed consolidated interim financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to generate additional financial resources in order to meet its planned business objectives. Financial resources will come in the form of debt and/or equity financing. These condensed consolidated interim financial statements do not reflect adjustments in the amounts and classifications of assets and liabilities reported that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. This is causing significant financial market and social dislocation. This has also resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results.

4. Investments at fair value and financial instruments hierarchy:

Financial hierarchy:

Fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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4. Investments at fair value and financial instruments hierarchy (continued):

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of the level investments of \$3,260,050 (June 30, 2020 - \$1,170,000) consists of investments in Gaia Grow Corp. (“Gaia”), Noble Line Inc. (“Noble”), NuWave Foods Inc. (“NuWave”) and SAC Pharma Partners Inc. (“SAC Pharma”), that have been evaluated based on available data from the corporations involved and the purchase value of the investments.

In accordance with IFRS 10, the fair value of the Company’s investments includes the fair value of entities that are controlled by the Company.

Equity investments consist of the following as at September 30, 2020:

Company	Cost	Level 1	Level 2	Level 3	Total FV	% of total FV
Noble Line Inc.	\$ 50,050	\$ –	\$ –	\$ 50,050	\$ 50,050	1%
NuWave Foods Inc.	420,000	–	–	420,000	420,000	13%
Gaia Grow Corp.	1,050,000	900,000	–	–	900,000	28%
SAC Pharma Partners Inc.	1,890,000	–	–	1,890,000	1,890,000	58%
Total Investments at Fair Value	\$3,410,050	\$900,000	\$ –	\$ 2,360,050	\$3,260,050	100%

Equity investments consist of the following as at June 30, 2020:

Company	Cost	Level 1	Level 2	Level 3	Total FV	% of total FV
Noble Line Inc.	\$ 50,050	\$ –	\$ –	\$ –	\$ –	0%
NuWave Foods Inc.	420,000	–	–	420,000	420,000	36%
Gaia Grow Corp.	1,050,000	750,000	–	–	750,000	64%
Total Investments at Fair Value	\$1,520,050	\$750,000	\$ –	\$ 420,000	\$ 1,170,000	100%

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4. Investments at fair value and financial instruments hierarchy (continued):

Gaia Grow Corp

The Company owns 30,000,000 common shares of Gaia Grow Corp. (“Gaia”) which represents approximately 14.8% of the common shares outstanding of Gaia. The fair value of the holdings is \$900,000 (June 30, 2020 - \$750,000). Gaia is a publicly traded Canadian corporation focused on farming Industrial Hemp for Medical Purposes whose shares are traded on the TSX-V under the symbol GAIA. The Company acquired this investment as a result of selling 100% of its interests in the leases for The Green Room’s retail cannabis dispensary locations via its interests in 1202465 BC Ltd. and 1216372 BC Ltd. to GAIA during the year ended June 30, 2020.

Noble Line Inc.

The Company owns 71,500 common shares of Noble Line Inc. (“Noble”) which represents approximately 10.6% of the common shares outstanding of Noble, with an initial value of \$0.70 per share. The Company has determined the fair value of the shares to be \$50,050 as at September 30, 2020 (June 30, 2020 - \$Nil), representing an unrealized gain of \$50,050 during the three months ended September 30, 2020. Noble operates an on-line store with an array of CBD/hemp consumable and topical products. Manufacturing and fulfillment operations are based out of Colorado and California. Noble currently sells products in all 50 U.S. states. Subsequent to the quarter end the Company acquired the remaining shares of Noble, see Note 11.

Nu Wave Foods Inc.

The Company owns 7,650 common shares of NuWave Foods Inc. (“Nu Wave”) which represents 51% of the common shares outstanding in Nu Wave. The fair value of the holdings is \$420,000 (June 30, 2020 - \$420,000) (note 5), NuWave is a fully licensed commercial kitchen and baked goods manufacturer that is developing shelf-stable baked goods with no preservatives, solving a long-time issue in baked food.

Sac Pharma Partners Inc.

On July 28, 2020, the Company acquired 100% of the common shares of SAC Pharma Partners Inc., The fair value of the holdings is \$1,890,000 (note 5). Sac Pharma, through its wholly-owned subsidiary, SAC Pharma Partners USA, Inc. operates a facility for the licensed production of cannabis in California. SAC Pharma became fully operational in the regulated cannabis business when commercial sales became legal in California on January 1, 2018.

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Notes to the Condensed consolidated interim financial statements
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4. Investments at fair value and financial instruments hierarchy (continued):

As at September 30 and June 30, 2020, short term loan investments consist of the following:

Loan Agreement	Principal	Fair Value
February 6, 2019	\$ 195,000	\$ -
May 29, 2019	90,000	90,000
May 31, 2019	259,609	259,609
Total loan investments	\$ 544,609	\$ 349,609

The carrying value of the Company's short term loans approximates their fair value due to the short term nature of these loans and would be included in level 3 of the financial instruments hierarchy. Short term loans include loans issued for a period of 12 months or less at an average interest rate of 16% starting July 1, 2019.

As at September 30, 2020, the Company's short term loans included one (June 30, 2020 – one) related party loan for a total of \$259,609 (June 30, 2020 - \$259,609).

During the three months ended September 30, 2020, the Company recorded interest income of \$20,707 (2019 - \$3,975) for the outstanding short-term loans. Of that amount, \$11,796 related to the Noble loan that was written down to \$Nil (2019 – \$Nil) during the year ended June 30, 2019. As a result, \$11,796 was recorded as write-off of investment in relation to that portion of interest. At September 30, 2020, interest receivable of \$40,732 is included in trade and other receivables.

5. Share capital:**a) Authorized:**

Unlimited number of common voting shares and preferred shares

b) Issued:

	Number of Shares	Amount
Balance, June 30, 2019	81,161,374	\$ 9,749,813
Shares issued for acquisition of investments at fair value	38,500,000	1,645,000
Shares issued pursuant to private placement	50,000,000	1,000,000
Shares issued pursuant to the exercise of warrants	4,000,000	200,000
Shares issued pursuant to debt settlement	407,144	13,131
Balance, June 30, 2020	174,068,518	\$ 12,607,944
Shares issued for acquisition of investments at fair value	126,000,000	1,890,000
Shares issued pursuant to debt settlement	12,000,000	300,000
Balance, September 30, 2020	312,068,518	14,797,944

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5. Share capital (continued):

b) Issued (continued):

Shares issued during the three months ended September 30, 2020:

On July 28, 2020, the Company issued 126,000,000 common shares valued at \$1,890,000 for the purchase of 100% of the common shares of SAC Pharma (note 4).

On August 11, 2020, the Company issued 12,000,000 shares to settle \$240,000 in outstanding accounts payable to two vendors.

Shares issued during the year ended June 30, 2020:

On July 29, 2019, the Company issued 20,000,000 common shares valued at \$900,000 for the purchase of 100% of the common shares of 1216372 BC Ltd., a company that has two retail leased location in BC (note 4).

On December 18, 2019, the Company completed a private placement of 50,000,000 units at a price of \$0.02 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share of the Company, and one common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.05 for a period of sixty months.

On March 10, 2020, the Company issued 223,810 common shares, at a fair value of \$6,714, to settle outstanding balance of \$11,190 owing to its chief financial officer, in connection with services previously provided to the Company. The Company recorded a gain on settlement of debt in the amount of \$4,476.

On April 3, 2020, the Company issued 12,000,000 common shares valued at \$420,000 for the purchase of 51% of the common shares of NuWave Foods Inc., (note 4).

On April 22, 2020, the Company issued 6,500,000 common shares valued at \$325,000 and 5,000,000 warrants valued at \$155,500 to Emergence in consideration for the ongoing rights to distribute 2019-nCoV Ab test kits used in the detection of COVID-19 (note 4).

In May 2020, the Company issued 4,000,000 common shares pursuant to the exercise of 4,000,000 share purchase warrants at an exercise price of \$0.05 for gross proceeds of \$200,000.

On May 27, 2020, the Company issued 183,334 common shares, at a fair value of \$6,417, to settle outstanding balance of \$9,167 owing to its chief financial officer, in connection with services previously provided to the Company. The Company recorded a gain on settlement of debt in the amount of \$2,750.

c) Warrants:

On December 18, 2019, the Company issued 50,000,000 warrants with an exercise price of \$0.05 per common share of the Company for a period of sixty months.

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Notes to the Condensed consolidated interim financial statements

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5. Share capital (continued):

c) Warrants (continued):

On April 24, 2020, the Company issued 5,000,000 warrants with an exercise price of \$0.06 per common share of the Company for a period of twenty-four months in connection with the distribution rights acquired from Emergence (note 4). The warrants had a fair value of \$155,500 calculated using Black-Scholes Option Pricing Model using the following assumptions: stock price – \$0.045; exercise price – \$0.06; expected life – two years; volatility – 162%; dividend yield – \$nil; and risk-free rate – 0.32%.

Warrants transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at June 30, 2019	-	-
Issued	55,000,000	\$ 0.05
Exercised	(4,000,000)	\$ 0.05
Cancelled	-	-
Balance at September 30, 2020	51,000,000	\$ 0.05

The following table summarizes information about warrants outstanding and exercisable at September 30, 2020:

Outstanding	Exercisable	Remaining Life	Exercise Price
46,000,000	46,000,000	4.47 years	\$0.05
5,000,000	5,000,000	1.82 years	\$0.06
51,000,000	51,000,000	4.23 years	\$0.05

d) Stock options:

The Company has implemented a stock option plan for Directors, Officers, employees, and consultants. The exercise price of each option approximates the market price for the common shares on the date the option was granted. Options granted under the plan generally vest over an eighteen month period from the date of the grant and expire five years after the grant date. The maximum number of common shares to be issued upon the exercise of options granted under the plan is 17,406,852 (2019 – 8,116,137) common shares.

On August 11, 2020, the Company granted 10,000,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.05 and expire on August 11, 2022. The stock options vest quarterly over the next twelve months. The fair value of the options was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.025; exercise price – \$0.05; expected life – two years; volatility – 188%; dividend yield – \$nil; and risk-free rate – 0.29%.

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Notes to the Condensed consolidated interim financial statements

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5. Share capital (continued):**d) Stock options (continued):**

On July 27, 2019, the Company granted 3,600,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.10 and expire on July 27, 2024. The stock options vest one third on the grant date, one third six months after the grant date and the balance on the twelve months date after the grant date. The fair value of the options was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.045; exercise price – \$0.10; expected life – five years; volatility – 113%; dividend yield – \$nil; and risk-free rate – 1.42%.

The details of this stock options issued are as follows:

	Period ended		Year ended	
	September 30, 2020		June 30, 2020	
	Number of Options	Exercise Price	Number of Options	Exercise Price
Options outstanding, beginning of year	2,100,000	\$0.10	1,500,000	\$0.10
Issued	10,000,000	-	3,600,000	\$0.10
Expired	(500,000)	\$0.10	-	-
Cancelled	-	-	(3,000,000)	\$0.10
Options outstanding, end of year	11,600,000	\$0.10	2,100,000	\$0.10
Exercisable, end of year	11,600,000	\$0.10	1,566,668	\$0.10

The following table summarizes information about stock options outstanding and exercisable at September 30, 2020:

Outstanding	Exercisable	Remaining Life	Exercise Price
10,000,000	-	1.86 years	\$0.05
1,600,000	1,600,000	3.83 years	\$0.10
11,600,000	1,600,000	2.13 years	\$0.06

The following table summarizes information about stock options outstanding and exercisable at June 30, 2020:

Outstanding	Exercisable	Remaining Life	Exercise Price
500,000	500,000	0.10 years	\$0.10
1,600,000	1,066,668	4.08 years	\$0.10
2,100,000	1,566,668	3.13 years	\$0.10

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6. Key management compensation and related party transactions:**a) Key management compensation**

Key management personnel are composed of the Company's Directors and Officers.

For the three months ended September 30, 2020, the Company incurred consulting fees of \$9,500 (2019 – 19,000), and directors fees of \$Nil (2019 - \$7,500), paid to companies which are controlled by key management of the Company. At September 30, 2020, \$560 (2019 - \$Nil) remained outstanding in relation to expense reimbursements or fees.

b) Related party transactions

During the three months ended September 30, 2020, the Company incurred legal costs of \$Nil (2019 - \$5,871) with a law firm in which the Corporate Secretary is a Partner. The legal costs incurred were in the normal course of operations and were based on the fair value of the service provided.

7. Per share amounts:

Net loss per share on a diluted weighted average basis is the same as that presented for basic as all factors are anti-dilutive. The number of shares that have been included in the computation of basic and diluted loss per share are as follows:

Periods Ended September 30,	2020	2019
Weighted average shares outstanding, basic and diluted	269,277,309	95,007,528

8. Financial instruments:

The carrying values of the Company's financial instruments by category were as follows:

September 30, 2020	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost
Asset (liability)			
Cash and cash equivalents	\$ –	\$ 555,469	\$ –
Trade and other receivables	–	68,286	–
Investments at fair value – Equity	3,260,050	–	–
Investments at fair value – Short term loans	349,609	–	–
Trade and other payables	–	–	(247,865)
	\$ 3,609,659	\$ 623,755	\$ (247,865)

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8. Financial instruments (continued):

June 30, 2020			
Asset (liability)	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost
Cash and cash equivalents	\$ —	\$ 619,373	\$ —
Trade and other receivables	—	45,269	—
Investments at fair value – Equity	1,170,000	—	—
Investments at fair value – Short term loans	349,609	—	—
Trade and other payables	—	—	(429,145)
	\$ 1,519,609	\$ 664,642	\$ (429,145)

The carrying value of the Company's financial instruments, excluding investments at fair value approximate their fair value due to the short term nature of these instruments.

9. Risk Management:**Financial instruments risks:**

The use of financial instruments can expose the Company to several risks including credit, liquidity, and market risks. A discussion of the Company's use of financial instruments and their associated risks is provided below.

a) Credit risk:

The Company is subject to credit risk on its cash and cash equivalents, trade and other receivables, short term loans at fair value and equity investments at fair value.

Cash and cash equivalents, when outstanding, consist of cash bank balances and short-term deposits maturing in 90 days or less. The Company manages the credit exposure related to short term investments by selecting counter parties based on credit ratings and monitors all investments to ensure a stable return. The maximum credit risk exposure associated with the Company's financial assets is the carrying value.

At September 30, 2020, the Company's trade and other receivables of \$68,286 (June 30, 2020 - \$45,269) consisted of \$9,363 (June 30, 2020 - \$13,448) due from the government in relation to GST returns, net trade receivables of \$18,191 (June 30, 2020 - \$Nil), and \$40,732 (June 30, 2020 - \$31,821) of interest receivable.

The Company's receivables are normally collected within a 60-90 day period. Management believes that the credit risk with respect to trade and other receivables is minimal.

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9. Risk Management (continued):

Financial instruments risks (continued):

a) Credit risk (continued):

After initial recognition, trade and other receivables are allocated to one of three stages of the expected credit loss model to determine the expected credit loss (“ECL”) as follows:

- Stage 1: Credit risk has not increased significantly since initial recognition
- Stage 2: Credit risk has increased significantly since initial recognition
- Stage 3: There is objective evidence of impairment as at the reporting date

As at September 30 and June 30, 2020, the Company assessed its trade and other receivables for impairment. During the year ended June 30, 2020, the Company recorded an allowance for doubtful amounts of \$51,945 related to its trade receivables.

The Company manages its credit risk on equity investments through thoughtful planning, significant due diligence of investment opportunities and by conducting activities in accordance with the investment policies that are approved by the Board of Directors. Management review the financial conditions of its investee companies regularly.

b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking harm to the Company’s reputation.

The following are the contractual maturities of financial liabilities as at September 30, 2020:

Financial Liabilities	< One Year	> One Year
Trade and other payables	\$247,865	\$ –
Total	\$247,865	\$ –

The following are the contractual maturities of financial liabilities as at June 30, 2020:

Financial Liabilities	< One Year	> One Year
Trade and other payables	\$429,145	\$ –
Total	\$429,145	\$ –

c) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company’s financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavorable market conditions could result in dispositions of investments at less than favorable prices.

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9. Risk Management (continued):**Financial instruments risks (continued):****c) Market risk (continued):**

Additionally, the Company is required to fair value its equity investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavorable effect on the Company's financial position.

- Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market on traded investments. The Company has a concentration of equity price risk due to one of its investments being worth a significant amount of its portfolio. The Company sets thresholds on purchases of investments over which approval of the Board of Directors is required. During periods of significant broader market volatility or volatility experienced by the resource or commodity markets, the value of the Company's investment portfolio can be quite vulnerable to market fluctuations. At September 30, 2020, a 5% change in the closing trade price of the Company's equity investments would result in a \$45,000 (June 30, 2020 - \$37,500) change in unrealized gain (loss) on investments.

d) Classification of financial instruments:

IFRS 7 Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Financial assets	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 555,469	\$ –	\$ –
Trade and other receivables	–	68,286	–
Short-term loans	–	–	349,609
Equity investments	900,000	–	2,360,050
Total financial assets	\$ 1,455,469	\$ 68,286	\$ 2,709,659

BLACKAWK GROWTH CORP.

Notes to the Condensed consolidated interim financial statements
Three months ended September 30, 2020 and 2019

10. Capital disclosures:

As at September 30, 2020, in the definition of capital, the Company includes shareholders' equity of \$4,056,393 (June 30, 2020 - \$1,854,212). The Company's objectives when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or engage in debt financing. The Company is not exposed to externally imposed capital requirements.

11. Subsequent events:

On October 13, 2020, the Company acquired all of the outstanding share capital of Trip Pharma Inc. ("Trip Pharma"). Trip Pharma is a privately-held arms-length psychedelic development and wellness company based in Edmonton, Alberta. Trip Pharma is currently pursuing the buildout of a purpose-built facility that will provide a supply of high-quality products for use in research and prescription for clinical patients. Trip Pharma intends to conduct research in psilocybin producing mushrooms, is in the process of submitting an application for a Controlled Drugs and Substances Dealers License in Canada and is working to source a library of Psilocybin Cubensis genetics.

On November 17, 2020, the Company acquired 89.4% of the outstanding share capital of Noble Line Inc. ("Noble"). The Company previously owned approximately 10.6% of Noble through a previous investment, with the current acquisition the Company now holds 100% of Noble. In consideration for the completion of the acquisition of this remaining interest, the Company has issued 48,448,590 common shares to the shareholders of Noble at a deemed price of \$0.025 per share.

The Company has applied to the Canadian Securities Exchange for the completion of a share consolidation, on a one-new-for-twenty-five-old basis. Upon completion of the consolidation, the Company will have approximately 15,876,822 common shares outstanding. The Company will continue to trade after the consolidation under the name "Blackhawk Growth Corp." Completion of the consolidation remains subject to the approval of the Canadian Securities Exchange.