SBD CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
(PREPARED BY MANAGEMENT)
FOR THE THREE-MONTH PERIODS ENDED JUNE 30 2018 AND 2017

SBD CAPITAL CORP.
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
JUNE 30, 2018

The accompanying condensed unaudited interim financial statements of SBD Capital Corp. (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. 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.

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 condensed unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

SBD Capital Corp.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2018
(Unaudited - in Canadian dollars)

	Note	June 30, 2018	March 31, 2018
ASSETS			
Current			
Cash and cash equivalents		**$ 52,377**	$ 33,763
Accounts receivable		**12,171**	1,862
GST/HST receivable		**49,569**	18,173
Inventory		**168,734**	179,601
Prepaid expenses		**10,496**	8,921
		293,347	242,320
		$ 293,347	$ 242,320
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**$ 82,775**	$ 160,254
Loans payable	3	**27,874**	37,172
		110,649	197,426
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Capital stock	4(a)	**35,546,225**	35,188,725
Issuable capital stock	4(a)	**-**	27,500
Contributed surplus		**10,675,675**	9,954,845
Deficit		**(46,039,202)**	(45,126,176)
		182,698	44,894
		$ 293,347	$ 242,320

NATURE OF OPERATIONS AND GOING CONCERN, (Note 1)

Approved on behalf of the board:

"Brian Murray" Director
"Glenda Kelly" Director

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

SBD CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2018 and 2017
(Unaudited - in Canadian dollars)

	Note	Three Months 2018	Three Months 2017
Revenue			
Sales of product		$ 28,381	$ -
Direct costs			
AGLC liquor tax		12,130	-
Cost of goods sold		6,652	-
Shipping, freight and delivery		4,439	-
Total direct costs		23,221	-
Gross margin		5,160	-
Expenses			
Management fees	5	6,685	15,000
Consulting fees		38,209	9,000
Professional fees		49,360	10,000
Office, general and administrative		97,536	400
Meals & entertainment		365	-
Transfer agent fees		4,943	1,319
Interest and bank charges		258	173
Share based compensation		720,830	-
Total expenses		918,186	35,892
Net loss and comprehensive loss for the period		$ (913,026)	$ (35,893)
Loss per share			
Basic and fully diluted	8	$ (0.04)	$ (0.05)
Weighted average number of common shares outstanding, basic and diluted		23,545,638	678,971

The 50 for 1 common share consolidation affected all of the Company's outstanding common shares as at the effective date (Note 6).; as a result, the prior year presentation in the financial statements has been restated.

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

SBD CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2018 and 2017
(Unaudited - in Canadian dollars)

	Note	Number of shares	Amount	Number of shares	Amount	Contributed surplus		Deficit		Total
Balance at March 31, 2017		**678,971**	**$34,738,846**	**95,000**	**$1,900**	**$9,954,845**	**$**	**(44,893,741)**	**$**	**(198,150)**
Issuable shares				35,000	700					700
Shares issued for debt settlement		400,000	8,000							8,000
Net loss for the period								(35,893)		(35,893)
Balance at June 30, 2017		1,078,971	34,746,846	130,000	2,600	9,954,845		(44,929,634)		(225,343)
Balance at March 31, 2018		**23,228,971**	**$35,188,725**	**137,500**	**$27,500**	**$9,954,845**	**$**	**(45,126,176)**	**$**	**44,893**
Shares issued for cash	4(a)	1,000,000	347,500	(137,500)	(27,500)	-				320,000
Shares issued on exercise of warrants	4(c)	100,000	10,000	-	-					10,000
Share based compensation	4(b)		-			720,830				720,830
Net loss for the period								(913,026)		(913,026)
Balance at June 30, 2018		24,328,971	$35,546,225	0	$0	$10,675,675	$	(46,039,202)	$	182,698

The 50 for 1 common share consolidation affected all of the Company's outstanding common shares as at the effective date (Note 6).; as a result, the prior year presentation in the financial statements has been restated.

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

SBD CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2018 and 2017
(Unaudited - in Canadian dollars)

	Three Months Ended June 30	
	2018	**2017**
Operating activities		
Net loss for the year	**(913,027)**	(35,893)
Adjustments not affecting cash:		
Amortization	**-**	-
Assignment of asset	**-**	1
Share based compensation	**720,830**	-
Impairment of fixed assets	**-**	-
Changes in non-cash working capital		
Accounts receivable	**(10,309)**	-
Prepaid expense	**(1,575)**	-
GST/HST receivable	**(31,396)**	(2,571)
Advance receivable		(31,500)
Inventory	**10,867**	-
Accounts payable and accrued liabilities	**(77,479)**	37,745
Net cash used in operating activities	**(302,089)**	(32,218)
Financing activities		
Issuance of common shares, net of issuance costs	**320,000**	-
Issuable shares	**-**	700
Shares issued on the exercise of warrants	**10,000**	-
Increase in loan payable	**(9,298)**	26,000
Net cash provided by financing activities	**320,702**	26,700
Net increase (decrease) in cash and cash equivalents	**18,613**	(5,518)
Cash, beginning of period	**33,763**	9,841

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

1. NATURE OF OPERATIONS AND GOING CONCERN

SBD Capital Corp.. ("the Company"or "SBD") was incorporated under the Business Corporations Act (Ontario) on May 11, 1979 and was a company with exploration and evaluation assets in Canada. The Compnay was engaged in the identification, acquisition, exploration and evaluation of gold, nickel, copper, zinc, silver and other base metal properties. The Company's registered office is located at Suite 520, 65 Queen Street West, Toronto, Ontario, M5H 2M5.

These condensed interim financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from June 30, 2018. However, The Company is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively the Company's ability to dispose of its exploration and evaluation assets on an advantageous basis; as well as global economic, precious and base metal price volatility; all of which are uncertain. As a result of these risks, there is no assurance that the Company's funding initiatives will continue to be successful and these condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows but has a working capital surplus of $182,698 as at June 30, 2018 (March 31, 2018 - working capital surplus of $44,894). The Company will continue to search for new or alternate sources of financing in order to continue development of its products but anticipates that the current market conditions may impact the ability to source such funds. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed interim statement of financial position.

2. BASIS OF PRESENTATION

Statement of Compliance

The condensed interim unaudited financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements.

The policies applied in these condensed interim unaudited financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual financial statements for the year ended March 31, 2018.

The condensed interim unaudited financial statements were authorized for issue by the Board of Directors on August 29, 2018.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following has not yet been adopted and is being evaluated to determine the impact on the Company.

(i) IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. 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. Earlier adoption is permitted.

(ii) On January 13, 2016 the IASB issued IFRS 16, "Leases". The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, "Revenue from contracts with customers" at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The extent of the impact of adoption of this standard has not yet been determined.

3. LOANS AND ADVANCES

As at June 30, 2018, the loans and advances balance is $27,874 (March 31, 2018 - $37,172). The loans and advances are non-interest bearing, have no specific terms of repayment and are and advance against the conditions of the acquisition of Secret Barrel Distillery Corporation.

4. CAPITAL STOCK

(a) **Common shares**
Authorized capital - Unlimited number of common shares
- Unlimited number of special shares
- 500,000 preference shares

On January 25, 2017, the Company executed the consolidation of the outstanding common shares on the basis of 50 existing common shares for one new common share. This resulted in a reduction of outstanding shares from 33,966,533 to 678,971. The 50 to 1 consolidation affected all of the Company's outstanding common shares as at the effective date; as a result, the prior year presentation in the financial statements has been restated.

During the quarter ended June 30, 2018, 1,000,000 units were issued at $0.32 per unit for gross proceeds of $320,000. Each Unit is comprised of one common share (a "Common Share") of the Company and one Common Share purchase.

(Unaudited - in Canadian dollars)

warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of one (1) year from the closing of the Offering at a price of $0.50 per Common Share.

In addition, 100,000 shares were issued on the exercise of warrants.

(b) **Stock option plan and share-based compensation**

The Company has a stock option plan (the "Plan") under which it is authorized to grant stock options to acquire common shares to Directors, officers, employees and consultants. The aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time. The current number of common shares reserved for issuance upon the exercise of options granted pursuant to the Plan is 67,897. The number of common shares which may be reserved for issue to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding issue. The Board of Directors shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors.

The following table summarizes information concerning the Company's stock options outstanding as at June 30 2018:

Three months ended June 30, 2018	Number of Options Outstanding	Black-Scholes Value	Weighted Average Exercise Price
Balance - September 30, 2017	-	-	-
Granted	2,400,000	720,830	0.32
Exercised	-	-	-
Expired or cancelled	-	-	-
Balance - June 30, 2018	**2,400,000**	**$ 720,830**	**$ 0.32**

The following common share purchase options are outstanding at June 30, 2018:

Date of Grant	Number of Options Outstanding	Exercise Price	Weighted Average remaining life (years)	Expiry Date	Number of Options exercisable
June 6, 2018	2,400,000	0.32	2.94	June 6, 2021	2,400,000
	2,400,000	**0.32**	**2.94**		**2,400,000**

The fair value of options granted during the nine months ended June 30, 2018 was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions: Share price $0.32, Risk-free interest rate 1.22%, Expected life of options 3, Annualized volatility 215%, Dividend rate Nil

In the consolidated statements of loss and comprehensive loss, the Company recorded share-based compensation of $720,830 for the three months ended June 30, 2018 (2017 - $NIL).

(Unaudited - in Canadian dollars)

(c) **Warrants**

The following table summarizes warrants that have been issued, exercised or have expired during the quarter ended June 30, 2018:

Three months ended June 30, 2018	Number of Warrants Outstanding	Black-Scholes Value	Weighted Average Exercise Price
Balance - March 31, 2018	20,000,000	-	0.10
Granted	1,000,000	-	0.50
Exercised	(100,000)	-	(0.10)
Expired	-	-	-
Balance - June 30, 2018	**20,900,000**	**$ -**	**$ 0.12**

There were 1,000,000 warrants issued in the quarter ended June 30, 2018 (2017 – nil) as part of the issuance of units. The fair value of the warrant issued was based on the residual method. The fair value of the common shares associated with the unit issued was $0.02 resulting in residual value of $nil for the warrant component.

There were 20,000,000 warrants issued in the year ended March 31, 2018 (2017 – nil) as part of the issuance of units. The fair value of the warrant issued was based on the residual method. The fair value of the common shares associated with the unit issued was $0.02 resulting in residual value of $nil for the warrant component.

At June 30, 2018, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Number of Warrants Outstanding	Exercise Price	Fair Value	Expiry Date
19,900,000	0.10	-	August 16, 2020
1,000,000	0.50	-	June 6, 2018
20,900,000	**0.12**	**-**	

5. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	June 30, 2018	June 30, 2017
Short-term benefits*	$ 6,685	$ 15,000

*includes base salaries pursuant to contractual employment, or consultancy arrangements. These have been recorded in consulting fees and management fees.

As at June 30, 2018, loans payable consist of $12,291 (March 31, 2018 - $37,172) to a director of the Company. The loans are non-interest bearing and have no specific terms of repayment.

6. FINANCIAL RISK FACTORS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, due from related party, reclamation bonds, accounts payable and accrued liabilities, and amounts due to related parties. The fair value of the Company's receivables, due from related party, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying value, due to their short-term maturities or ability of prompt liquidation. The Company's cash and cash equivalents are recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets or liabilities. The Company's other financial instrument, being reclamation bonds, are measured at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

a) Interest Rate Risk

The Company has cash balances, and is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of June 30, 2018, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

As at June 30, 2018, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As at June 30, 2018, the Company held cash of $52,377 (March 31, 2018 - $33,763) to settle current liabilities of $110,649 (March 31, 2018 - $197,426). All of the Company's non-provision liabilities are due with the next fiscal year.

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. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by investing its cash equivalents with a Canadian chartered bank.

7. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its capital stock. As at June 30, 2018 the Company’s capital stock was $35,546,225 (March 31, 2018 - $35,188,725).

There were no changes in the Company's approach to capital management during the period ended June 30, 2018 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a) To safeguard the Company’s financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;

b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and

c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company's capital structure includes components of shareholders’ equity.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. 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 debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

8. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the financial statements by the weighted average number of shares outstanding during the year. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for the period ended June 30, 2018, this would be anti-dilut