

Compel Capital Inc.

Condensed Interim Financial Statements

Expressed in Canadian Dollars

**For the three and six months ended June 30,
2017 and 2016**

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of Compel Capital Inc. have been prepared by and are the responsibility of the Company's management. These unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and reflect Management's best estimates and judgements based on information currently available. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established for a review of condensed interim financial statements by an entity's auditor.

Compel Capital Inc.
Condensed Interim Balance Sheets
Expressed in Canadian Dollars
As at June 30, 2017 and December 31, 2016
Unaudited

	2017	2016
	\$	\$
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 3)	6,600	4,400
Loan payable - interest bearing (Note 4)	121,894	98,083
Loan payable - non-interest bearing (Note 5)	12,691	12,691
Total Liabilities	141,185	115,174
Shareholder's Deficiency		
Capital Stock (Note 6)	308,165	308,165
Accumulated Deficit	(449,350)	(423,339)
	(141,185)	(115,174)
	-	-

Nature of Business and Going Concern (Note 1)

Approved on behalf of the Board "Rob Saltsman"
Director (Signed)

"Michael Frank"
Director (Signed)

Compel Capital Inc.**Condensed Interim Statements of Loss and Comprehensive Loss**

Expressed in Canadian Dollars

For the three and six months ended June 30, 2017 and 2016

Unaudited

	Six months ended	Six months ended	Three months ended	Three months ended
	2017	2016	2017	2016
	\$	\$	\$	\$
Expenses				
General and administrative	26,011	6,000	13,004	3,000
Net loss and comprehensive loss for the year	(26,011)	6,000	(13,004)	(3,000)
Net Loss per share (Note 7)				
Basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding (Note 7)				
Basic and diluted	2,127,284	2,127,284	2,127,284	2,127,284

Compel Capital Inc.**Condensed Interim Statements of Changes in Shareholders' Deficiency**

Expressed in Canadian Dollars

For the three and six months ended June 30, 2017 and 2016

Unaudited

	Capital Stock	Deficit	Total Equity
Balance, January 1, 2016	\$ 308,165	\$ (376,124)	\$ (67,959)
Net loss and comprehensive loss		(6,000)	(6,000)
Balance, June 30, 2016	\$ 308,165	\$ (382,124)	\$ (73,959)
Balance, January 1, 2017	\$ 308,165	\$ (423,339)	\$ (115,174)
Net loss and comprehensive loss		(26,011)	(26,011)
Balance, June 30, 2017	\$ 308,165	\$ (449,350)	\$ (141,185)

Compel Capital Inc.**Condensed Interim Statements of Cash Flows**

Expressed in Canadian Dollars

For the three and six months ended June 30, 2017 and 2016

Unaudited

	Six months ended	Six months ended	Three months ended	Three months ended
	2017	2016	2017	2016
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss and comprehensive loss	(26,011)	(6,000)	(13,004)	(3,000)
Items not affecting cash				
Interest accrued	5,811	-	2,904	-
Management fees accrued	18,000	-	9,000	-
	(2,200)	(6,000)	(1,100)	(3,000)
Net changes in non-cash working capital				
Accounts payable and accrued liabilities	2,200	3,000	1,100	3,000
	-	(3,000)	-	-
Financing				
Loan advances - interest bearing	-	3,000	-	-
Loan advances - non-interest bearing				
	-	-	-	-
Cash, beginning and end of quarter	-	-	-	-

Compel Capital Inc.

Notes to unaudited Condensed Interim Financial Statements

Expressed in Canadian Dollars

For the three and six months ended June 30, 2017 and 2016

1. NATURE OF BUSINESS AND GOING CONCERN

Compel Capital Inc. (the "Company") is incorporated under the laws of the Province of Ontario and is inactive. The Company does not engage in commercial operations and has no assets. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a potential acquisition.

While these condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business, there are material uncertainties related to adverse conditions and events that cast significant doubt on the Company's ability to continue as a going concern.

During the three months ended June 30, 2017, the Company incurred a loss of \$13,004 (2016 - \$3,000) and, as of that date, the Company had accumulated deficit of \$449,350 (2016 - \$423,339), a working capital and shareholder deficiency of \$141,185 (2016 - \$115,174) and negative cash flows from operations of \$Nil (2016 - \$Nil). These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company's continuing ability to meet its obligations as they come due is dependent upon continued financial support from directors, shareholders or corporations affiliated with directors and shareholders (Notes 4 and 5) and its ability to raise additional funds through the issuance of shares.

These condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments may be material.

The registered office of the Company is located at 38 Edmund Seager Drive, Thornhill, Toronto, Ontario L4J 4R9.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The condensed interim financial statements have been prepared in accordance with IFRS and their interpretations adopted by the International Accounting Standards Board ("IASB").

These condensed interim financial statements should be read in conjunction with the Company's 2016 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2016 annual financial statements as well as any amendments, revisions and new IFRS standards, which have been issued subsequently and are appropriate to the Company.

The condensed interim financial statements of the Company were approved by the Board of Directors on February 16, 2018.

Compel Capital Inc.

Notes to unaudited Condensed Interim Financial Statements

Expressed in Canadian Dollars

For the three and six months ended June 30, 2017 and 2016

Basis of Presentation

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

These condensed interim financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Financial Instruments

Financial assets classified as fair value through profit and loss ("FVTPL") are measured at fair value with any resultant gain or loss recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with any resultant gain or loss being recognized directly under other comprehensive income. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When available-for-sale financial assets are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables and held to maturity, are measured at amortized cost using the effective interest rate method.

All financial liabilities are recognized initially at fair value plus, in the case of receivables and other financial liabilities, directly attributable transaction costs. Financial liabilities are classified as other financial liabilities, and are subsequently measured at amortized cost using effective interest rate method.

The Company's financial liabilities include accounts payable and loans payable. Classification of these financial instruments is as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Accounts payable and accrued liabilities	Other financial liabilities
Loans payable	Other financial liabilities

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The Company has no financial instruments measured at fair value on the balance sheet.

Compel Capital Inc.

Notes to unaudited Condensed Interim Financial Statements

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Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding, if any, that may add to the total number of common shares.

Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not record that excess.

Significant Accounting Judgments and Estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. There have been no significant judgments made by management in the application of IFRS that have a significant effect on these condensed interim financial statements.

Compel Capital Inc.

Notes to unaudited Condensed Interim Financial Statements

Expressed in Canadian Dollars

For the three and six months ended June 30, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Recent Accounting Pronouncements

The Company is currently evaluating the impact of the below standards on its financial performance and financial statement disclosures but the impact is not expected to be material.

- a) IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB in July 2014 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 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. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Audit fees	\$ 6,600	\$ 4,400
	\$ 6,600	\$ 4,400

4. LOAN PAYABLE - INTEREST BEARING

- a) The total loan payable in the amount of \$121,894 (2016 - \$98,083) is due to two corporations which share a common director with the Company. The loans bear interest at 10% per annum, is unsecured and due on demand. The total amount of accrued interest included in the loans payable is \$22,240 (2016 - \$16,433).

5. LOAN PAYABLE - NON-INTEREST BEARING

- a) A loan payable for \$12,691 (2016 - \$12,691) is due to two corporations, which shares a common director with the Company. The loan is non-interest bearing, unsecured and due on demand.

Compel Capital Inc.

Notes to the unaudited Condensed Interim Financial Statements

Expressed in Canadian Dollars

For the three and six months ended June 30, 2017 and 2016

6. CAPITAL STOCK

a) Authorized

unlimited common shares

unlimited preference shares, rights to be determined on issuance

b) Issued and outstanding:

Common Shares	Number of Shares	Amount
Balance as at June 30, 2017 and December 31, 2016	2,127,284	\$ 308,165

7. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended June 30, 2017 was based on the loss attributable to common shareholders of \$13,004 (2016 - \$3,000) and the weighted average number of common shares outstanding of 2,127,284 (2016 - 2,127,284).

8. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

The loans payable described in Note 4 are related party transactions as these loans are due to corporations which share a common director with the Company.

The loan payable described in Note 5 is a related party transaction as this loan is due to a corporation which shares a common director with the Company.

Related party transactions conducted in the normal course of operations are measured at the fair value.

Included in general and administration expense is interest expense of \$2,903 (2016 - \$1,046) and management fees of \$9,000 (2016 - \$Nil) accrued to two shareholders and directors of the Company. This interest expense relates to amounts accrued on three interest bearing loans due to two of the shareholders and directors of the Company, refer to Note 4.