Compel Capital Inc.

Financial Statements

Expressed in Canadian Dollars

Unaudited – Prepared by Management

For the Quarter Ended March 31, 2020 and 2019

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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 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 financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor

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Compel Capital Inc.
Balance Sheets
Expressed in Canadian Dollars
Unaudited – Prepared by Management
As at March 31, 2020 and 2019

		2020		2019
Assets				
Cash	**$**	**32**		32
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 4)	**$**	**42,543**	$	29,042
Loan payable - interest bearing (Note 5)		**77,695**		38,501
	$	**120,238**		67,544
Shareholders' Deficiency				
Capital stock (Note 6)		**542,439**		542,439
Accumulated Deficit		**(662,645)**		(609,951)
		(120,206)		(67,512)
	$	**32**	$	32

Nature of Business and Going Concern (Note 1)

Subsequent Event (Note 12)

Approved on behalf of the Board **"Andrew Lindzon"** Director **(Signed)** **"Myra Bongard"** Director **(Signed)**

Compel Capital Inc.

Statements of Loss and Comprehensive Loss
Expressed in Canadian Dollars
Unaudited – Prepared by Management
Quarter Ended March 31, 2020 and 2019

		2020		2019
Expenses				
General and administrative	**$**	**14,000**	$	13,735
Net loss and comprehensive loss for the year	**$**	**(14,000)**	$	(13,735)
Net Loss per share (Note 7)				
Basic and diluted	**$**	**(0.00)**	$	(0.00)
Weighted average number of common shares outstanding (Note 7)				
Basic and diluted		**48,982,084**		48,982,084

Compel Capital Inc.
Statements of Changes in Shareholders' Deficiency
Expressed in Canadian Dollars
Unaudited – Prepared by Management
Quarter Ended March 31, 2020 and 2019

	Capital Stock	Deficit	Total
January 1, 2020	**$ 542,439**	**$ (648,645)**	**$ (106,206)**
Net loss and comprehensive loss	-	(14,000)	(14,000)
Balance, March 31, 2020	**$ 542,439**	**$ (662,645)**	**$ (120,206)**

	Capital Stock	Deficit	Total
January 1, 2019	**$ 542,439**	**$ (596,216)**	**$ (53,777)**
Net loss and comprehensive loss	-	(13,735)	(13,735)
Balance, March 31, 2019	**$ 542,439**	**$ (609,951)**	**$ (67,512)**

Statements of Cash Flows
Expressed in Canadian Dollars
Unaudited – Prepared by Management
Quarter Ended March 31, 2020 and 2019

	2020	2019
Cash provided by (used in)		
Operations		
Net loss and comprehensive loss	**$ (14,000)**	$ (13,735)
Items not affecting cash		
Interest accrued	**2,000**	-
Professional and filing fees accrued	**3,000**	
Administration fees accrued	**9,000**	-
	(14,000)	(13,735)
Net changes in non-cash working capital		
Accounts payable and accrued liabilities	**5,000**	(6,650)
	(9,000)	(20,385)
Financing		
Loan advances - interest bearing	**9,000**	20,385
Cash beginning of year	**32**	-
Cash, beginning and end of year	**$ 32**	$ 32

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 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 quarter ended March 31, 2020, the Company incurred a loss of $ 14,000 (2019 - $ 13,735) and, as of that date, the Company had accumulated deficit of $ 662,645 (2019 - $ 609,951), a working capital and shareholder deficiency of $ 120,206 (2019 - $ 67,512). The Company's continuing operations as intended are dependent upon its the ability to raise additional funds, ability to complete a qualifying transaction, investor sentiment and financial market conditions, all of which may be impacted by the uncertainties arising from the COVID-19 pandemic (note 12). Should the Company be unable to identify a potential acquisition and/or secure additional financing, the Company may be unable to discharge its net liabilities. These uncertainties 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 (Note 5) and its ability to raise additional funds through the issuance of shares.

These 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. BASIS OF PRESENTATION

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

The financial statements of the Company were approved by the Board of Directors on July 20, 2020.

Basis of Presentation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Cash is classified as amortized cost.

Financial liabilities

Loans payable, and accounts payable and accrued liabilities are classified as amortized cost.

Subsequent to initial recognition, these liabilities are carried at amortized cost, using the effective interest method. The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

At present, the Company classifies all of its financial liabilities as held at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

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)

As at March 31, 2020 and 2019, the Company does not have any financial instruments measured at fair value and that required classification within the fair value hierarchy.

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.

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 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 financial statements.

Going concern
The Company applied judgment in assessing its ability to continue as a going concern for at least 12 months. See note 1.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2020		2019
Trade payables				
Audit	**$**	**7,850**	$	6,650
Legal Fees		**32,193**		18,597
Filing fees		**2,500**		3,795
	$	**37,543**	$	29,042

Expressed in Canadian Dollars

5. LOAN PAYABLE - INTEREST BEARING

The total loan payable in the amount of $ 77,695 (2019 - $ 68,695 is due to two corporations. 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 $ 6,134 (2019 - $ 2,590). On December 10, 2018 the balance then existing was converted to Common Shares (Note 6).

6. CAPITAL STOCK

a) Authorized

unlimited common shares
unlimited preference shares, rights to be determined on issuance

Common Shares	Number of Shares		Amount
Balance as at March 31, 2020 and 2019	**48,982,084**	**$**	**542,439**

(i) On December 10, 2018 the Company agreed to issue a total of 46,854,800 common shares to certain of the Company's debt-holders for settlement of $234,274 principal amount of unsecured debt (Note 5).

7. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended March 31, 2020 was based on the loss attributable to common shareholders of $ 14,000 (2019 - $ 13,735) and the weighted average number of common shares outstanding of 48,982,084 (2019 – 48,982,084).

8. INCOME TAXES

Provision for Income Taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.5% (2018 - 26.5%) to the net loss and comprehensive loss for the period. The reason for the difference is as follows:

		2020		2019
Loss before income taxes	**$**	**(14,000)**	$	(105,000)
Statutory rate		**26.5%**		26.5%
Expected income tax recovery	**$**	**(3,710)**	$	(27,825)
Increase (decrease) resulting from:				
Change in deferred tax assets not recognized		**3,710**		27,825
Income tax expense	**$**	**-**	$	-

Expressed in Canadian Dollars

8. INCOME TAXES (Cont'd)

The Company's deferred income tax assets are estimates as follows:

		2020		2019
Deferred income tax assets				
Non-capital losses	**$**	**121,694**	$	107,800
Less: Deferred tax assets not recognized		**(121,694)**		(107,800)
Net deferred income tax asset	**$**	**-**	$	-

Losses Carried Forward

As at March 31, 2020, the Company has non-capital losses for income tax purposes of $459,200 available to apply against future taxable income. If not utilized, the non-capital losses will expire as follows:

2028	$	52,600
2029		54,500
2030		23,900
2031		8,100
2032		10,600
2033		14,900
2034		12,300
2035		9,800
2036		47,200
2037		67,900
2038		105,000
2039		52,400
2040		3,500
	$	**462,700**

9. 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.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

There has been no key management compensation in the quarters ended March 31, 2020 and 2019.

10. CAPITAL RISK MANAGEMENT

The Company includes equity, comprised of issued common shares and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

10. CAPITAL RISK MANAGEMENT (Cont'd)

There has been no change with respect to the overall capital risk management strategy during the quarter ended March 31, 2020.

11. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments, consisting of cash, accounts payable and accrued liabilities and loans payable, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Company has accounts payable and accrued liabilities of $ 42,543 (2019 - $ 29,042) due within 12 months and has cash of $ 32 (2019 - $32). As a result, the Company has liquidity risk and may have insufficient funds to meet its ongoing obligations. See note 1.

12. SUBSEQUENT EVENT

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self- imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the successful completion of the contemplated transaction or potential delays in the timing of closing a transaction and condition of the Company in future periods.