Condensed Consolidated Interim Financial Statements of

COPLAND ROAD CAPITAL CORPORATION

For the six months ending ended June 30, 2022 and 2021
(Unaudited, in Canadian dollars)

Prepared by Management – See Notice to Reader

COPLAND ROAD CAPITAL CORPORATION

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited, in Canadian dollars)

As at	Note	**June 30, 2022**	December 31, 2021
ASSETS			
Current Assets			
Cash		**$ 1,042,933**	$ 1,317,124
HST and other receivables	6,7	**(5,022)**	818
Prepaids and deposits		**-**	9,928
Assets held for sale	7	**-**	71,250
		$ 1,037,911	$1,399,120
Non-current Assets			
Property and equipment	8	**-**	-
TOTAL ASSETS		**$ 1,037,911**	$ 1,399,120
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7	**$ 81,002**	$ 201,937
TOTAL LIABILITIES		**$ 81,002**	$ 201,937
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	1,14	**$ 2,612,550**	$ 2,612,550
Obligation to issue shares	14	**-**	30,000
Deficit		**(1,655,641)**	(1,445,367)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**$ 956,909**	$ 1,197,183
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 1,037,911**	$ 1,399,120

Nature of operations and going concern	1
Subsequent events	1,17

These condensed consolidated interim financial statements were approved by the Board of Directors on August 25, 2022, by:

"Jared Carroll"
Director

"Bruce Langstaff"
Director

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

COPLAND ROAD CAPITAL CORPORATION

CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited, in Canadian dollars, except share data)

		Three months ended		Six months ended	
	Note	**June 30, 2022**	June 30, 2021	**June 30, 2022**	June 30, 2021
Expenses					
Selling, general and administrative	15	**82,405**	255,949	**200,669**	1,081,884
Depreciation and amortization	7,8	**-**	94,503	**-**	366,828
Total Operating Expenses		**82,405**	350,452	**200,669**	1,448,712
Loss before other items		**(82,405)**	(350,452)	**(200,669)**	(1,448,712)
Other Items					
Accretion expense	11,12	**-**	(624,042)	**-**	(1,268,551)
Gain on convertible debt extinguishment, net	11,12	**-**		**-**	10,834,332
Change in fair value of marketable securities			(4,000,366)		(4,000,366)
Foreign exchange gain (loss)		**(8,349)**	(11,027)	**(9,605)**	(20,177)
Interest and other income		**-**	9,525	**-**	9,534
Interest expense	10,11,12	**-**	(451,076)	**-**	(2,065,595)
Gain from discountinued operations	5	**-**	30,099	**-**	17,708,153
Net income (loss) for the period		**(90,754)**	(5,397,339)	**(210,274)**	19,748,618
Net income (loss) from continuing operations				-	542,806
Net income (loss) for the period		**(90,754)**	(5,397,339)	**(210,274)**	20,291,424
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations			4,637		994,114
Total income (loss)		- **90,754**	- 5,392,702	- **210,274**	21,285,538
Basic and diluted income (loss) per share from continuining operations		**(0.01)**	(1.21)	**(0.03)**	0.97
Basic and diluted income (loss) per share from discontinued operations					0.03
Weighted average number of common shares outstanding, basic and diluted		**7,775,000**	4,453,846	**7,775,000**	20,381,415

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

COPLAND ROAD CAPITAL CORPORATION

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

For the three months ended June 30, 2022 and 2021

(Unaudited, in Canadian dollars, except share data)

	Number of Shares	Share Capital	Shares to be issued	Reserves	AOCI	Deficit	Total
Balance at December 31, 2021	**7,775,000**	**$2,612,550**	**$30,000**	**-**	**-**	**($1,445,367)**	**$1,197,183**
Successor share subscription	**-**	**-**	**(30,000)**	**-**	**-**	**-**	**(30,000)**
Net income and comprehensive income	**-**	**-**	**-**	**-**	**-**	**(210,274)**	**(210,274)**
Balance at Jun 30, 2022	**7,775,000**	**$2,612,550**	**-**	**-**	**-**	**($1,655,641)**	**$956,909**

	Number of Shares	Share Capital	Shares to be issued	Reserves	AOCI	Deficit	Total
Balance at December 31, 2020	121,729,441	$12,862,367	-	$12,310,294	($67,393)	($47,971,674)	($22,866,406)
Predecessor share cancellation	(121,729,441)	(12,862,367)	-	(12,310,294)	-	25,172,661	-
Successor share issuance	3,700,000	$1,825,532	-	-	-	-	1,825,532
Private Placement	1,400,000	$252,000					252,000
Unrealized gain/loss on translation of foreign operations	-	-	-	-	994,114	-	994,114
Net loss and comprehensive loss	-	-	-	-	-	20,353,911	20,353,911
Balance as June 30, 2021	5,100,000	$2,077,532	-	-	$926,721	**($2,445,102)**	$559,151

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

COPLAND ROAD CAPITAL CORPORATION

CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS

(Unaudited, in Canadian dollars)

	Six months ended June 30, 2022	Six months ended Jun 30, 2021
Operating Activities		
Net income (loss) from operations	**(210,274)**	20,353,911
Adjustment for non-cash items		
Accretion expense	-	1,268,551
Depreciation and amortization	-	374,685
Stock-based compensation	-	
Unrealized foreign exchange loss	**9,605**	(20,177)
Gain on disposal of Perpetual Healthcare Inc.	-	(17,708,153)
Gain on convertible debt extinguishment, net	-	(10,834,332)
Change in fair value of marketable securities	-	(17,968,803)
Changes in non-cash working capital items:		
HST and other receivables	**(14,440)**	154,698
Prepaids and deposits	**308**	91,828
Trade payables and accrued liabilities	**(81,002)**	(1,500,182)
Note receivable	-	(62,486)
	(295,802)	(25,850,460)
Interest accrued (paid)	-	(2,065,595)
Net cash flow used in continuing operations	**(295,802)**	(27,916,055)
Net cash flow provided by (used in) discontinued operations	-	1,400,980
Net cash flow used in operating activities	**(295,802)**	(26,515,075)
Investing Activities		
Proceeds from disposal of assets	-	36,585,921
Net cash flow from investing activities	-	36,585,921
Financing Activities		
Share subscription transferred	**30,000**	
Issuance		252,000
Loan advances		11,497,500
Loan repayments	-	(21,593,300)
Net cash flow used in financing activities	**30,000**	(9,843,800)
Foreign exchange effect on cash	**(8,389)**	59,236
Change in cash	**(274,191)**	286,282
Cash, beginning	**1,317,124**	1,539,257
Cash, ending	**1,042,933**	$1,825,539

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

1. Nature of Operations and Going Concern

Operations

Copland Road Capital Corporation (the "Company") was incorporated under the Canada Business Corporations Act and later continued into British Columbia on May 29, 2019, when the Company first changed its name from Innovative Properties Inc. to Nabis Holdings Inc. On January 14, 2022, The Company changed its name to Copland Road Capital Corporation to reflect its exit from the US cannabis business on the same date. The Company's shares are listed on the Canadian Securities Exchange under the symbol "CRCC" since January 14, 2022. The head office of the Company is located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2.

In November 2020, the Company entered into a Support Agreement (the "Support Agreement") with certain holders (the "Debentureholders") of the Company's convertible unsecured subordinated debentures with interest at 8% per annum (the "Convertible Debentures"). Under the Support Agreement, the Company agreed to make a Proposal to Creditors (the "Proposal") under the *Bankruptcy and Insolvency Act*. This Proposal was made by the Company on November 23, 2020.

The Proposal contemplated (i) the cancellation of all previously issued equity claims on the capital of the Company, including common shares ("predecessor shares"), common share purchase warrants, stock options, restricted share units, and any other similar equity-like securities of the Company; (ii) in full and final satisfaction of all unsecured creditor claims, the Company would issue and pay to each creditor its pro rata share of: a) 3,700,000 new common shares ("successor shares") of the Company and b) $23,000,000 in new senior unsecured notes with interest at 5.3% per annum and due January 2023 on the terms set out in the Proposal (the "Senior Unsecured Notes").

The Proposal was unanimously approved at a meeting of creditors held on December 14, 2020, approved by the Ontario Superior Court of Justice on December 21, 2020, and was implemented on January 26, 2021. On January 26, 2021, all previously issued equity were cancelled, and the successor shares and Senior Unsecured Notes were issued to the Debentureholders. As a result, the share capital of $12,862,367 and reserve of $11,501,205, representing the fair value of the common shares, common share purchase warrants and stock options, were reclassified to deficit.

On September 28, 2021, the successor shareholders of the Company approved a plan of arrangement to redeem the Senior Unsecured Notes issued pursuant to the Senior Unsecured Notes Indenture dated January 26, 2021, and amended on April 1, 2021. The Plan of Arrangement was filed by the Company in proceedings commenced under the British Columbia Business Corporations Act (the "BCBCA")t. Pursuant to the Plan of Arrangement, the Company entered into a series of transactions that had the effect of redeeming all of the outstanding Senior Unsecured Notes at $64 for each $100 principal amount of the debentures outstanding on an "interest flat" basis, following the sale of all of the Subordinate Voting Shares of Verano Holdings Corp. the Company held (note 8) to Caravel CAD Fund Ltd. The series of transactions were completed on December 2, 2021 (note 15), subsequent to the Company receiving a final order from the Supreme Court of British Columbia approving the previously proposed plan of arrangement.

Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Prior to the implementation of the Proposal, the Company had incurred losses and negative cash flows from operations since inception that have primarily been funded through financing activities.

(Unaudited, in Canadian dollars)

As at June 30, 2022, the Company has a deficit of $1,655,641 and $956,909 in working capital.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

COVID-19

The outbreak of the coronavirus, also known as "COVID-19," spread across the globe and impacted worldwide economic activity. The outbreak and the related mitigation measures has resulted in a widespread health crisis that is adversely affecting the economies and financial markets worldwide, including the businesses which the Company operates. Furthermore, restrictions on travel and the limited ability to have in-person meetings are expected to have an adverse effect on the Company's businesses. The extent to which COVID-19 impacts the Company's businesses will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in the Canada and other countries to contain and treat the disease. The effect that these events may have are highly uncertain and as such, the Company cannot determine the corresponding financial impacts at this time.

2. Basis of Preparation

(a) Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC") applicable to the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. These financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021.

(b) Basis of measurement

These consolidated interim financial statements have been prepared on a historical cost basis. In addition, these statements have been prepared on an accrual basis, except for cash flow information.

(c) Basis of consolidation

These consolidated interim financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The following subsidiaries have been consolidated and presented within these consolidated financial statements for the period the Company possessed its control:

Subsidiary	Control	Location	Status
Nabis Technologies Corp.	100%	Canada	Dissolved in January 2022

Be In Synergy Inc.	100%	Canada	Dissolved in January 2022
Abis Biopharma Corporation	100%	Canada	Dissolved in January 2022
Nabis (CAN) Holdings Corp	100%	Canada	Dissolved in January 2022
Nabis (US) Corp.	100%	USA	
Nabis AZ, LLC ("Nabis AZ")	100%	USA	
Perpetual Healthcare Inc.	100%	USA	Disposed in March 2021
Nabis Arizona Property, LLC	100%	USA	Dissolved in December 2021
Nabis Joint Ventures (AZ), LLC	100%	USA	Dissolved in December 2021
Nabis Hemp Holdings, LLC	100%	USA	Dissolved in December 2021
Nabis Holdings California Inc.	100%	USA	Dissolved in January 2022
Nabis Holdings California, LLC	100%	USA	
Nabis Holdings, LLC	100%	USA	Dissolved in December 2021
Nabis NM LLC	100%	USA	Dissolved in December 2021
Nabis Holdings Oklahoma Inc.	100%	USA	
Nabis Oklahoma Patient Care Inc.	100%	USA	
Nabis Holdings Washington, LLC	100%	USA	Dissolved in January 2022

All intercompany transactions are eliminated in full upon consolidation. The Company continues to wind down remaining inactive subsidiaries subsequent to the period.

(d) Functional and presentation currency

The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted. The functional currency of the Company is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Company is the Canadian dollar.

(e) Significant estimates and assumptions

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future periods include the recoverability and measurement of deferred tax assets, the valuation of assets held for sale, the recoverability of receivables, the impairment of non-financial assets, and the useful life of property and equipment.

(f) Significant judgments

The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated interim financial statements include the assessment of the Company's ability to continue as a going concern, the determination of the functional currency.

3. Significant Accounting Policies

The Company applied the same accounting policies in these condensed consolidated interim financial statements as those applied in the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2021.

(Unaudited, in Canadian dollars)

In preparing these condensed consolidated interim financial statements, the significant judgements we made in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2021. These condensed consolidated interim financial statements should be read in conjunction with the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2021.

4. Future changes in accounting policies

The following new amendment to standards and interpretations under IFRS are yet effective for the three-months ended March 31, 2022, and have been applied in preparing these condensed consolidated interim financial statements:

IAS 1 – Presentation of Financial Statements

On January 23, 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2022 and are to be applied retrospectively, with early adoption permitted. The Company did not have any non-current liabilities for the three-month period ended June 30, 2022 and has assessed the financial impact of the amendments.

5. Discontinued Operations

On February 26, 2021, the Company, through its subsidiary Nabis AZ, entered into an Assignment and Change of Control Agreement (the "Agreement") with Verano Arizona LLC ("Verano Arizona"), a subsidiary of Verano Holdings Corp. ("Verano"), whereby Nabis AZ assigned and transferred the management rights and interest associated with Perpetual Healthcare Inc., which operates the Emerald Dispensary in Phoenix, Arizona, to Verano Arizona (the "Assignment") for the consideration of US$11,250,000 in cash ("Cash Consideration"), US$11,250,000 in Class A Subordinate Voting Shares of Verano ("Share Consideration") and a promissory note of US$6,125,000 due 60 days after the closing date. The Assignment was closed on March 10, 2021 and the Company had recorded a gain of $17,841,966 on the sale of Perpetual upon closing of the Assignment.

6. HST and Other Receivables

	June 30, 2022	December 31, 2021
HST receivable	**$ -**	$ 818
Other receivables	**-**	-
	$ -	$ 818

On March 31, 2022, the Company completed sale of its cannabis grow containers for total proceeds of $84,750 classified as Assets Held for Sale at December 31, 2021 (note 7). The Company received cash proceeds during the the period.

(Unaudited, in Canadian dollars)

7. Assets Held For Sale

As at December 31, 2021, the balance of assets held for sale comprised the following:

		June 30, 2022		December 31, 2021
Extraction and production equipment	**$**	**-**	$	-
Cannabis grow containers		**-**		71,250
	$	**-**	$	71,250

Cannabis Grow Containers

The Company purchased custom designed cannabis grow containers at a total cost of $990,000 during 2019. During 2021, the Company decided to dispose these containers due to its exit from cannabis business (note 1). As a result, the Company wrote down these containers by $131,576 based on selling price less cost to sell and classified $71,250 as assets held for sale at year end. The sale of these assets was completed pursuant to a purchase agreement with a third party during the three-month period ended March 31, 2022 for total proceeds of $84,750 and were received during the period.

8. Property, Plant and Equipment

The Company disposed its retail operation Perpetual Healthcare Inc. in March, 2021, its Washington extraction and production equipment in May 2021 and recognized cannabis grow containers as Assets Held for Sale at December 31, 2021 (note 7).

The Company did not own any property, plant and equipment for the three-month period ended June 30, 2022.

9. Trade Payables and Accrued Liabilities

Trade payables and accrued liabilities consist of the following:

		June 30, 2022		December 31, 2021
Trade payables	**$**	**14,193**	$	110,096
Accrued liabilities		**66,809**		91,841
	$	**81,002**	$	201,937

12. Senior Unsecured Notes

On January 26, 2021, in connection with the implementation of the Proposal, the Company issued $23,000,000 in Senior Unsecured Notes bearing interest at 5.3% per annum, payable on a quarterly basis, and maturing on January 26, 2023. The Company applied an estimated 20% market interest rate for a similar debt instrument and applied this rate to obtain the fair value $17,929,812 for the Senior Unsecured Notes at inception. Accretion expense of $1,930,006 and interest expense of $1,029,842 were recorded for the Senior Unsecured Notes payable.

On September 28, 2021, the Company redeemed the Senior Unsecured Notes in full pursuant to the Plan of Arrangement (note 1) at $64 for each $100 principal amount with no interest accrued. The redemption was funded with proceeds of $14,103,680 received from the sales of Class A Verano Shares and Class B Verano Shares to Caravel CAD Fund Ltd., a related party to the Company. Upon redemption, the Senior Unsecured Notes has a carrying value of $19,859,819, together with an interest payable of $1,029,843, which resulted in a gain of $6,169,660 upon the extinguishment of these Senior Unsecured Notes and was recognized during 2021.

(Unaudited, in Canadian dollars)

13. Related Party Transactions

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 members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel for three-month period ended June 30, 2022 and 2021 are as follows:

		June 30, 2022		March 31, 2021
Management and consulting fees	**$**	**40,000**	$	40,000
Salaries and wages		**-**		18,333
	$	**40,000**	$	58,333

14. Share Capital

(a) Authorized

The predecessor share capital was fully cancelled upon the implementation of Proposal on January 26, 2021.
The authorized successor share capital of the Company consists of an unlimited number of successor common shares with no par value. The successor common shares are voting and are entitled to dividends if, as and when declared by the Board of Directors.

(b) Common shares issued and outstanding

Immediately prior to the January 26, 2021, the date of the implementation of Proposal, the Company had 121,729,441 predecessor common shares outstanding. Upon implementation of the Proposal (note 1), all existing equity claims on the capital of the Company, including common shares, common share purchase warrants, stock options, restricted share units, and any other similar equity-like securities of the Company were cancelled. 3,700,000 successor common shares of the Company, together with the $23,000,000 in Senior Unsecured Notes, were issued to settle in full and final satisfaction of all unsecured creditor claims. The fair value of the successor common shares issued, in the amount of $1,825,550, was determined based on the 10-day volume weighted average share price of the common shares commencing the first day it resumed to be publicly traded.

On May 13, 2021, the Company closed a non-brokered private placement financing of gross proceeds of $252,000 through issuance of 1,400,000 successor common shares at a price of $0.18 per successor common share. On December 29, 2021, the Company closed a second non-brokered private placement financing of gross proceeds $535,000 through issuance of 2,675,000 successor common shares at a price of $0.20 per successor common share. At March 31, 2022, the Company has 7,775,000 new common shares outstanding.

The Company had also received additional $30,000 subscriptions for issuance of successor common shares in 2021 which was transferred in January 2022. As at March 31, 2022, the Company did not have any obligation to issue shares.

15. Selling, General and Administrative Expenses

(Unaudited, in Canadian dollars)

	Three months ended			
		June 30, 2022		June 30, 2021
Salaries and benefits	**$**	**50,274**	$	124,932
Consulting and management fees		**55,300**		156,999
Professional fees		**59,623**		731,795
Business Development, filing fees and office general		**44,944**		60,611
Banking and merchant fees		**133**		7,547
Total	**$**	**210,274**	$	1,081,884

16. Financial Risk Management and Capital Management

See discussion on the Proposal and Plan of Arrangement in note 1.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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. The Company's primary exposure to credit risk is on its cash held in bank accounts. Cash deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

The following table details the remaining contractual maturities of the Company's financial liabilities as of June 30, 2022:

		Within 1 year		**1 to 2 years**		**2 – 5 years**		**Total**
Trade payables and accrued liabilities	$	81,002	$	-	$	-	$	81,002
Balance, June 30, 2022	**$**	**81,002**	**$**	**-**	**$**	**-**	**$**	**81,002**

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements, and debt financing. The Company's access to financing is always uncertain. There can be no assurance that equity and debt funding will be available to the Company on attractive terms, or at all.

Foreign Exchange Risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. During the three-

month period ended June 30, 2022, the Company has US dollar balances in cash and is therefore exposed to gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's profit or loss, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations during the period. As at June 30, 2022, the Company has a nominal amount of cash denominated in US dollars, therefore management considers foreign exchange to be a minimal risk.

Capital Management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to ensure that the Company is able to meet its financial obligations as they become due. The capital structure consists solely of shareholders' equity as at June 30, 2022. The basis for the Company's capital structure is dependent on the Company's expected future investments and changes in business environment. To maintain or adjust the capital structure, the Company may issue new shares, incur debt or return capital to shareholders. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of business. Management reviews its capital management approach on an ongoing basis.

The Company is not subject to externally imposed capital requirements as at June 30, 2022.

Fair Value
The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data

The Company determined that the carrying values of its short-term financial assets and liabilities approximate the corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk. The Company did not hold any marketable securities at June 30, 2022 (note 12).

There were no transfers between the levels of the fair value hierarchy during the period.

17. Subsequent Event

In July of 2022, the Company incorporated five wholly-owned subsidiaries under the BCBCA : Bothwell Road Capital Corporation, Broomloan Road Capital Corporation, Edmiston Drive Capital Corporation, Goram Capital Corporation, and James Bell Capital Corporation.