

Indus Holdings Inc. (formerly Mezzotin Minerals Inc.) Notice to Reader

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These condensed interim financial statements for the period ended March 31, 2019 for Mezzotin Minerals Inc. are being filed solely to correct a typographical error in a date in the Condensed Interim Statement of Changes in Shareholder's Equity. The ending balance was incorrectly titled "Balance As At March 31, 2018." The corrected title is "Balance As At March 31, 2019." No other changes have been made to the condensed interim financial statements.

August 9, 2019



## **Mezzotin Minerals Inc.**

**Unaudited Condensed Interim Financial Statements  
For the Three Months ended March 31, 2019  
(Expressed in Canadian Dollars)**

**Mezzotin Minerals Inc.****Unaudited Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)**

|   | <b>March 31, 2019</b> | <b>December 31, 2018</b> |
|---|-----------------------|--------------------------|
|   | <b>Unaudited</b>      | <b>Audited</b>           |
| <b>Assets</b>                                     |                       |                          |
| <b>Current Assets</b>                             |                       |                          |
| Cash  | \$ 17,602             | \$ 5,903                 |
| Amounts receivable and other assets               | 6,573                 | 12,249                   |
| <b>Total Current Assets</b>                       | <b>24,175</b>         | <b>18,152</b>            |
| <b>Total Assets</b>                               | <b>\$ 24,175</b>      | <b>\$ 18,152</b>         |
| <b>Liabilities</b>                                |                       |                          |
| <b>Current Liabilities</b>                        |                       |                          |
| Trade payables and accruals (note 5)              | \$ 182,283            | \$ 193,384               |
| Notes payable related party (notes 6, 9)          | 75,434                | 40,054                   |
| <b>Total Current Liabilities</b>                  | <b>257,717</b>        | <b>233,438</b>           |
| <b>Total Liabilities</b>                          | <b>257,717</b>        | <b>233,438</b>           |
| <b>Shareholders' Equity</b>                       |                       |                          |
| Share capital (note 10)                           | 3,798,227             | 3,798,227                |
| Other capital reserve                             | 649,725               | 649,725                  |
| Deficit   | (4,681,494)           | (4,663,238)              |
| <b>Total Shareholders' Equity</b>                 | <b>(233,542)</b>      | <b>(215,286)</b>         |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>\$ 24,175</b>      | <b>\$ 18,152</b>         |

*The accompanying notes are an integral part of these financial statements*

**Mezzotin Minerals Inc.****Unaudited Condensed Interim Statements of Loss and Comprehensive Loss****For the Three Months ended March 31****(Expressed in Canadian Dollars)**

|  | 2019               | 2018               |
|--|--------------------|--------------------|
| <b>Operating Expenses</b>  |                    |                    |
| Consulting fees  | \$ 10,500          | \$ 10,500          |
| Professional fees  | -                  | 23,817             |
| Salaries and wages   | -                  | 5,669              |
| Regulatory and compliance  | 1,532              | 4,093              |
| General and administrative   | 5,469              | 2,696              |
| Depreciation   | -                  | 9,118              |
| <b>Total Operating Expenses</b>  | <b>17,501</b>      | <b>55,893</b>      |
| <b>Operating Loss</b>  | <b>(17,501)</b>    | <b>(55,893)</b>    |
| <b>Other Income and Expenses</b>   |                    |                    |
| Interest expense   | 755                | 1,903              |
| <b>Total Other Income and Expenses</b>                                   | <b>755</b>         | <b>1,903</b>       |
| <b>Net Loss</b>  | <b>(18,256)</b>    | <b>(57,796)</b>    |
| <b>Other Comprehensive Income</b>  |                    |                    |
| Foreign currency translation gain (loss)                                 | -                  | 1,588              |
| <b>Other Comprehensive Loss</b>  | <b>\$ (18,256)</b> | <b>\$ (56,208)</b> |
| <b>Loss per share</b>  | <b>\$ (0.000)</b>  | <b>\$ (0.001)</b>  |
| <b>Weighted average number of shares outstanding - basic and diluted</b> | <b>56,994,069</b>  | <b>48,979,100</b>  |

*The accompanying notes are an integral part of these financial statements*

**Mezzotin Minerals Inc.**

**Unaudited Condensed Interim Statements of Changes in Shareholders' Equity**

**For the Three Months ended March 31**

**(Expressed in Canadian Dollars)**

|  | Share Capital     |                     | Reserves              |                                      | Deficit               | Total               |
|--|-------------------|---------------------|-----------------------|--------------------------------------|-----------------------|---------------------|
|  | Number            | Amount              | Other Capital Reserve | Foreign Currency Translation Reserve |                       |                     |
| Balance as at January 1, 2018            | 48,979,100        | \$ 3,397,479        | \$ 649,725            | \$ 136,037                           | \$ (4,144,405)        | \$ 38,836           |
| Foreign currency translation differences |                   |                     |                       | 1,588                                |                       | 1,588               |
| Net loss                                 |                   |                     |                       |                                      | (57,796)              | (57,796)            |
| Balance as at March 31, 2018             | 48,979,100        | \$ 3,397,479        | \$ 649,725            | \$ 137,625                           | \$ (4,202,201)        | \$ (17,372)         |
| <b>Balance as at January 1, 2019</b>     | <b>56,994,069</b> | <b>\$ 3,798,227</b> | <b>\$ 649,725</b>     | <b>\$ -</b>                          | <b>\$ (4,663,238)</b> | <b>\$ (215,286)</b> |
| Foreign currency translation differences |                   |                     |                       | -                                    |                       | -                   |
| Net loss                                 |                   |                     |                       |                                      | (18,256)              | (18,256)            |
| Balance as at March 31, 2019             | 56,994,069        | \$ 3,798,227        | \$ 649,725            | \$ -                                 | \$ (4,681,494)        | \$ (233,542)        |

*The accompanying notes are an integral part of these financial statements*

**Mezzotin Minerals Inc.****Unaudited Condensed Interim Statements of Cash Flows****For the Three Months ended March 31****(Expressed in Canadian Dollars)**

|   | 2019             | 2018             |
|---|------------------|------------------|
| <b>Cash Flows from Operating Activities</b>                               |                  |                  |
| Net loss  | \$ (18,256)      | \$ (57,796)      |
| Adjustments for non-cash operating items                                  |                  |                  |
| Depreciation  | -                | 9,118            |
|   | (18,256)         | (48,678)         |
| Changes in non-cash items operating activities                            |                  |                  |
| Amounts receivable and other assets                                       | 5,676            | (1,097)          |
| Trade and other payables  | (11,101)         | 11,456           |
| <b>Cash used in operating activities</b>                                  | <b>(23,681)</b>  | <b>(38,319)</b>  |
| <b>Cash Flows from Financing Activities</b>                               |                  |                  |
| Increase in loan payable  | -                | 1,640            |
| Increase in notes payable   | 35,380           | 61,107           |
| <b>Cash used in financing activities</b>                                  | <b>35,380</b>    | <b>62,747</b>    |
| Effect of exchange rate changes on cash denominated in a foreign currency | -                | 16               |
| <b>Net decrease in cash</b>   | <b>11,699</b>    | <b>24,444</b>    |
| <b>Cash, beginning of period</b>  | <b>5,903</b>     | <b>63,269</b>    |
| <b>Cash, end of period</b>  | <b>\$ 17,602</b> | <b>\$ 87,713</b> |

*The accompanying notes are an integral part of these consolidated financial statements*

**1. Nature of Operations and Going Concern**

Mezzotin Minerals Inc. ("Mezzotin" or the "Company") was incorporated as Zoolander Corporation on October 27, 2005 by Certificate of Incorporation issued under the Business Corporations Act (Ontario). The Company acquired all of the issued and outstanding shares of Adsani Exploration (Proprietary) Limited ("Adsani"), a private company incorporated on February 24, 2000 under the laws of the Republic of South Africa, which included its wholly-owned subsidiary Mezzotin Investments (Private) Limited ("Mezzotin ZIM"), a private company incorporated on January 10, 2000 under the laws of Zimbabwe in exchange for the issuance of 20,000,000 common shares of the Company. The shareholders of the Company approved the name change to Mezzotin Minerals Inc. on September 10, 2013.

Mezzotin's common shares are listed on NEX board of the TSX Venture Exchange under the symbol "MEZZ.H". The Company had been notified by the TSX Venture Exchange that it does not meet the Exchange's continued listing requirements for a Tier 2 issuer and effective October 27<sup>th</sup>, 2017 the Company's listing was transferred to the NEX board. NEX is a separate board of the TSXV for companies previously listed on the TSXV or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets.

The Company's registered office and the principal place of business is located at 150 York Street, Suite 1600, Toronto, Ontario, M5H 3S5.

In 2018, the Company sold its mining assets and subsidiaries and at December 31, 2018 the Company was a shell corporation.

On November 13, 2018, the Company announced that it has entered into a binding letter agreement (the "Letter Agreement") with Indus Holding Company ("Indus"), a vertically integrated cannabis company located in Salinas, California with production capabilities including cultivation, extraction, manufacturing, brand sales, marketing, and distribution. The Letter Agreement outlines the proposed terms and conditions pursuant to which Mezzotin and Indus will effect a business combination that will result in a reverse takeover of Mezzotin by the shareholders of Indus. At a general meeting of the shareholders of Mezzotin Minerals Inc., on January 16, 2019 the shareholders approved the transaction with Indus subject to all the necessary regulatory approvals and the signing of a Definitive Agreement on the business combination. On March 29, 2019, the Company and Indus signed the Definitive Agreement subject to regulatory approval and on April 26, 2019 concluded the transaction. Effective the close of business on April 29<sup>th</sup>, 2019, the Mezzotin shares will be delisted from the TSX NEX board and shares of the successor company, Indus Holding, Inc. is expected to commence trading on the Canadian Stock Exchange shortly thereafter.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company continues to incur losses and has an accumulated deficit of \$4,681,494 at March 31, 2019. The Company's ability to continue as a going concern is dependent upon its ability to conclude a merger with an operating company or in obtaining the necessary financing to fulfill its obligations as they arise and repay its liabilities when they become due. External financing, predominantly by the issuance of equity or debt, may be sought to finance the operations of the Company. There is no assurance that the Company will be successful at these initiatives. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments to the carrying value of assets and liabilities that would be necessary if the going concern basis was not appropriate.

## **2. Statement of Compliance**

These unaudited condensed interim financial statements (the “Interim Statements”) have been prepared in accordance International Financial Reporting Standard 34, ‘*Interim Financial Reporting*’ (“IAS 34”) as issued by the International Accounting Standards Review Board (“IASB”).

These Interim Statements should be read in conjunction with the audited consolidated financial statements of Mezzotin Minerals Inc. for the years ended December 31, 2018 and 2017.

These Interim Statements we authorized for issuance by the Board of Directors of the Company on April 26<sup>th</sup>, 2019.

## **3. Significant Accounting Policies**

### **Basis of preparation and presentation**

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

### **Basis of presentation**

The financial statements for the three months ended March 31, 2019 reflect the financial position and results of operations for Mezzotin Minerals Inc. alone. The comparative amounts for March 31, 2018 include the accounts of the Company and entities over which it has control including its wholly-owned legal subsidiary, Adsani and Adsani’s wholly-owned subsidiary Mezzotin ZIM. All material intercompany transactions and related balances are eliminated on consolidation.

### **Functional and presentation currency**

The financial statements are presented in Canadian Dollars, which is the Company’s functional currency.

Transactions in currencies which are not the Company’s functional currency are translated to the functional currency at exchange rate at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate at the date of the statement of financial position, and non-monetary items are translated at historical rates of exchange.

## **4. New Accounting Standards and Interpretations**

The following accounting pronouncement has been issued but is not yet effective. The Company has not early adopted this standard and is currently evaluating the impact, if any, that this standard might have on its financial statements.

### *IFRS 16, Leases*

IFRS 16 was issued in January 2016, replaces IAS 17, Leases. IFRS 16 results in most leases being reported on the balance sheet for lessees, eliminating the distinction between a finance lease and an operating lease and is effective for annual periods beginning on or after January 1, 2019. Under IFRS 16, all operating leases, except for short term and low value leases, are expected to be accounted for as finance leases. IFRS 16 also does not apply to leases to explore for or use mineral, oil, natural gas and similar non-regenerative resources. The Company does not believe IFRS 16 will have a material impact on the financial reporting of the Company.

In December 2017, the IASB published Annual Improvements to IFRS Standards 2015–2017 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.



**4. New Accounting Standards and Interpretations (cont'd)**

IFRS 3, *Business Combinations* ("IFRS 3") and IFRS 11, *Joint Arrangements* ("IFRS 11") – The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

**5. Trade Payables and Accruals**

|                              | March 31,<br>2019 | March 31,<br>2018 |
|------------------------------|-------------------|-------------------|
| Falling due within the year: |                   |                   |
| Trade payables               | \$ 87,283         | \$ 288,422        |
| Accrued liabilities          | 95,000            | 35,450            |
|                              | <b>\$ 182,283</b> | <b>\$ 323,872</b> |

Trade payables generally have payment terms of up to 30 days. Included in trade payables at March 31, 2019 are amounts recorded prior to 2013 and are statute barred under the Limitations Act (Ontario). The amount totaling \$65,478 is included in current liabilities reflecting the original accounting for the transactions. Under IFRS, a debt can only be removed from the Company's Statement of Financial Position when it is extinguished meaning only when the contract is discharged, cancelled or expires.

**6. Notes Payable**

The Company has issued a series of promissory notes to a related party in order to secure working capital. The notes are denominated in US Dollars, bear interest at 5% per annum and are payable on demand.

In the three months ended March 31, 2019, the Company issued an additional note for US\$25,000. As at March 31, 2019, the Company owed \$75,434 in principal and accrued interest. The principal amount represents US\$50,000 in notes payable.

## 7. Share Capital

### Authorized share capital

Unlimited number of common shares

### Issued and outstanding share capital

Issued share capital for the periods were as follows:

|                               | Number of<br>Shares | Amount       |
|-------------------------------|---------------------|--------------|
| Balance as at January 1, 2019 | 56,994,069          | \$ 3,798,227 |
| No activity in period         | -                   | -            |
| Balance as at March 31, 2019  | 56,994,069          | \$ 3,798,227 |

### Stock Options and Warrant

In the three months ended March 31, 2019 and 2018, the Company did not issue any stock options or warrants. As of March 31, 2019, the Company had no stock options or warrants outstanding.

## 8. Capital Management

The Company's objectives when managing its liquidity and capital are as follows:

- to safeguard the Company's ability to continue as a going concern such that it can continue in its exploration activities to provide returns to shareholders and benefits to other stakeholders.
- to secure sufficient cash and cash equivalents to fund the Company's business plans, including the exploration activities required for the development of its mineral property interests.

The Company considers notes payable and the items included in shareholders' equity in the definition of capital.

The Company's primary uses of capital are to finance the exploration and property development activities required on its mineral properties, market and investor development, capital expenditures and other business expenses.

Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the three months ended March 31, 2019 and 2018.

As at March 31, 2019 the Company is not subject to any externally imposed capital requirements.

**9. Related Party Transactions**

Related parties include the Board of Directors and officers of the Company and its subsidiaries including close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. It also includes any party not included above who may hold more than 10% of the common equity of the Company.

Following is a summary of the related party transactions for the three months ended March 31, 2018 and the corresponding amount in the prior year's quarter:

- a) During the three months ended March 31, 2019 the Company incurred costs of \$10,500 (2018 - \$10,500) for executive and management services to a company controlled by an officer of the Company. The amounts are included in Consulting Fees.
- b) In the three months ended March 31, 2019, the Company borrowed US\$25,000 under a promissory note to a company that owns more than 10% of the common shares of the Company. In the same period, the Company accrued interest on the Note in the amount of \$755. As at March 31, 2019 the Company owed the related party \$75,434 in principal and accrued interest.

**10 Subsequent Events**

On April 2, 2019, Indus and the Company announced the signing of the Definitive Agreement detailing the terms of the business transaction. In general terms, the current Mezzotin shareholders will exchange their Mezzotin shares for approximately \$2.25 million in value of Indus shares, less any working capital deficiency, exclusive of certain transaction costs and liabilities.

On April 26<sup>th</sup>, 2019, Indus and the Company closed the business combination. As such, Mezzotin Minerals Inc. will be delisted from the TSX Venture exchange at the close of business April 29<sup>th</sup>, 2019, the Mezzotin Minerals shareholders will receive shares in the new company Indus Holdings, Inc. which is expected to commence trading on the Canadian Stock Exchange on April 30, 2019. As part of the transaction, the Mezzotin Mineral shares were consolidated at a ratio of 485.3 Mezzotin shares for one Indus Holdings, Inc. share.