

TRENCHANT CAPITAL CORP.

(formerly Echelon Petroleum Corp.)

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended December 31, 2016 and 2015

Expressed in Canadian Dollars

(Unaudited-Prepared by Management)

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2016	March 31, 2016
ASSETS			
Current assets			
Cash		\$ 289,199	\$ 2,053
GST receivable		11,131	4,502
Prepaid financing costs	1	187,888	
TOTAL ASSETS		\$ 488,218	\$ 6,555
LIABILITIES			
Current liabilities			
Accounts payables and accrued liabilities	3	\$ 87,915	\$ 160,587
TOTAL LIABILITIES		87,915	160,587
SHAREHOLDERS' EQUITY			
Share capital	4	4,111,518	3,451,518
Obligation to issue shares	4	-	4,500
Share- based payment reserve		343,158	343,158
Deficit		(4,054,373)	(3,953,208)
TOTAL EQUITY		400,303	(154,032)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 488,218	\$ 6,555

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Three month periods ended		Nine month periods ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Expenses					
Consulting and management fees	3	\$ -	\$ -	\$ -	\$ 7,954
General and administrative		5,526	4,888	15,512	7,885
Business development		20,917	-	53,011	-
Transfer agent and filing fees		12,568	-	23,886	1,663
Travel and promotion		-	4,812	-	11,391
Professional fees	3	(35,033)	-	8,756	2,439
		(3,978)	(9,700)	(101,165)	(31,332)
Net and comprehensive loss for the period		\$ (3,978)	\$ (9,700)	\$ (101,165)	\$ (31,332)
Loss per share – basic and diluted		\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.06)

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital		Obligation to issue shares	Share-based payment reserve	Deficit	Total
	Number of shares	Amount				
Balance at March 31, 2015	535,884	\$ 3,451,518	\$ -	\$ 343,158	\$ (3,928,808)	\$ (134,132)
Net and comprehensive loss	-	-	-	-	(31,332)	(31,332)
Balance at December 31, 2015	535,884	\$ 3,451,518	\$ -	\$ 343,158	\$ (3,960,140)	\$ (165,464)
Balance at March 31, 2016	535,884	\$ 3,451,518	\$ 4,500	\$ 343,158	\$ (3,953,208)	\$ (154,032)
Issue of shares for debt (Note 4)	1,000,000	60,000	-	-	-	60,000
Issue of shares for cash (Note 4)	9,925,000	595,500	-	-	-	595,500
Issue of shares for obligation to issue shares (Note 4)	75,000	4,500	(4,500)	-	-	-
Net and comprehensive loss	-	-	-	-	(101,165)	(101,165)
Balance at December 31, 2016	11,535,884	\$ 4,111,518	\$ -	\$ 343,158	\$ (4,054,373)	\$ 400,303

See accompanying notes to the condensed consolidated interim financial statements

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine month periods ended	
	December 31, 2016	December 31, 2015
Operating activities		
Net loss	\$ (101,165)	\$ (31,332)
GST Receivables	(6,629)	(1,601)
Accounts payables and accrued liabilities	(12,672)	32,933
Net cash flows used in operating activities	(120,466)	-
Financing activities		
Issues of shares for cash	595,500	-
Prepaid financing costs	(187,888)	-
Cash flows from financing activities	407,612	-
Increase in cash	287,146	-
Cash, beginning	2,053	1,061
Cash, ending	\$ 289,199	\$ 1,061

1. Nature and continuance of operations

Trenchant Capital Corp. (formerly Echelon Petroleum Corp.) (the “Company”) was incorporated under the British Columbia Business Corporations Act on December 17, 2009. The Company’s shares are listed on the TSX Venture Exchange (“TSXV”).

On May 10, 2016, the Company changed its name to Trenchant Capital Corp. and commenced trading under the symbol “TCC.H”.

On April 26, 2016, the Company announced that it is pursuing a change of business to become a Tier 2 Investment Issuer on the TSXV.

On October 28, 2016, the Company signed a loan agreement with Waiward Investments Limited Partnership to loan up to a maximum of \$20,000,000 to Waiward Investments Limited Partnership on or before November 30, 2016. To fund this loan, the Company engaged Industrial Alliance Securities Inc. for a proposed best efforts unit offering to raise up to \$20,000,000.

The engagement terminated on December 31, 2016, the proposed offering not having completed.

The Company is currently working to restructure the offering and the loan.

During the nine months ended December 31, 2016, the Company incurred \$187,888 costs in relation to this offering.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company’s continuation as a going concern is dependent upon the successful results from its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast substantial doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from related parties and or the private placement of common shares.

2. Significant accounting policies and basis of preparation

These unaudited condensed consolidated interim financial statements were authorized for issue on February 28, 2017 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

The condensed consolidated interim financial statements of the Company comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting. Reporting, which do not include all the disclosures in the annual financial statements in accordance with IFRS. They should be read in conjunction with the Company’s consolidated financial statements for the year ended March 31, 2016. The accounting policies were consistently applied to all periods presented.

2. Significant accounting policies and basis of preparation (continued)

Basis of preparation

The condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

3. Related party transactions

Related party balances:

The following amounts are due to related parties and included in accounts payable:

	December 31, 2016	March 31, 2016
Directors and officers of the Company	\$ 1,962	\$ 110,670

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

During the nine months ended December 31, 2016, the Company settled a debt obligation of \$60,000 with the CEO by issuing 1,000,000 common shares at \$0.06 per share.

Key management personnel compensation

	Nine month periods ended	
	December 31, 2016	December 31, 2015
Consulting	\$ -	\$ 7,954
Professional	4,500	-
	\$ 4,500	\$ 7,954

4. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2016 and 2015 there were 11,535,884 and 535,884 issued and fully paid common shares respectively.

During the nine months ended December 31, 2016, the Company issued:

1. 75,000 common shares at \$.06 for an obligation to issue shares of \$4,500
2. 1,000,000 common shares at \$.06 for a debt obligation of \$60,000
3. 9,925,000 common shares at \$.06 for cash of \$595,500