Condensed Interim Financial Statements (unaudited)
(In Canadian dollars)

PROSPECT PARK CAPITAL CORP.

THREE AND THREE MONTHS ENDED JUNE 30, 2020

Notice to reader pursuant to National Instrument 51-102 – Continuous Disclosure Obligations

Under National Instrument 51-102 – Continuous Disclosure Obligations, if an auditor has not performed a review of a reporting issuer's interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor. The Corporation's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

PROSPECT PARK CAPITAL CORP.

(In Canadian dollars)
Condensed Interim Statements of Financial Position
(unaudited)

As at June 30, 2020 and September 30, 2019

	June 30, 2020	September 30, 2019
Assets		
Current assets:		
Cash	$ 11,759	$ 7,491
	$ 11,759	$ 7,491
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities (Notes 6)	$ 85,222	$ 249,029
Loan payable (Note 3)	100,010	-
	185,232	249,029
Shareholders' deficit:		
Share capital (Note 4)	1,363,419	1,363,419
Reserves	364,228	364,228
Deficit	(1,901,120)	(1,969,185)
	(173,473)	(241,538)
	$ 11,759	$ 7,491

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 10)

See accompanying notes to the condensed interim financial statements.

PROSPECT PARK CAPITAL CORP.

(In Canadian dollars)

Condensed Statements of Income (Loss) and Comprehensive Income (Loss) (unaudited)

For the three and nine months ended June 30, 2020 and June 30, 2019

	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Net investment gains (losses)				
Loss on investments	$ -	$ -	$ -	$ (704)
Net investment gains (losses)	-	-	-	(704)
Gain on settlement of debt	-	-	145,363	-
Interest income	-	2,426	-	7,332
	-	2,426	145,363	6,628
Expenses:				
Interest expense	3,075	-	5,575	-
Operating, general and administrative (Note 9)	17,809	9,591	71,724	29,551
Net income (loss) and comprehensive income (loss)	$ (20,884)	$ (7,165)	$ 68,065	$ (22,923)
Income (loss) per common share - basic and diluted	$ (0.01)	$ (0.00)	$ 0.03	$ (0.01)
Weighted average number of shares outstanding - basic and diluted	1,963,823	1,963,823	1,963,823	1,963,823

See accompanying notes to the condensed interim financial statements.

PROSPECT PARK CAPITAL CORP.

(In Canadian dollars)

Condensed Interim Statements of Changes in Shareholders' Deficit (unaudited)

For the nine months ended June 30, 2020 and June 30, 2019

	Share capital	Reserves Contributed surplus	Deficit	Total
Balance, September 30, 2018	$ 1,363,419	$ 364,228	$ (1,812,493)	$ (84,846)
Net loss for the period	-	-	(22,923)	(22,923)
Balance, June 30, 2019	$ 1,363,419	$ 364,228	$ (1,835,416)	$ (107,769)
Balance, September 30, 2019	$ 1,363,419	$ 364,228	$ (1,969,185)	$ (241,538)
Net income for the period	-	-	68,065	68,065
Balance, June 30, 2020	$ 1,363,419	$ 364,228	$ (1,901,120)	$ (173,473)

See accompanying notes to the condensed interim financial statements.

PROSPECT PARK CAPITAL CORP.

(In Canadian dollars)

Condensed Interim Statements of Cash Flows (unaudited)

For the nine months ended June 30, 2020 and June 30, 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Operating income (loss)	$ 68,065	$ (22,923)
Change in non-cash operating items:		
Gain on settlement of debt	(145,363)	-
Gain on sale of investments	-	704
Interest accrued	-	(7,332)
Change in non-cash working capital:		
Accounts payable and accrued liabilities	(18,444)	24,829
Net cash used in operating activities	(95,742)	(4,722)
Investing activities:		
Proceeds from sale of investments	-	7,344
Net cash from investing activities	-	7,344
Financing activities:		
Proceeds from loans	100,010	-
Net cash from financing activities	100,010	-
Increase in cash	4,268	2,622
Cash, beginning of period	7,491	4,715
Cash, end of period	$ 11,759	$ 7,337

See accompanying notes to the condensed interim financial statements.

1. Nature of Operations and Going Concern

Prospect Park Capital Corp. (the "**Corporation**") was incorporated under the *Business Corporations Act* (Ontario) on September 7, 2012. The registered office of the Corporation is located at Suite 600, 100 King Street West, Toronto, Ontario M5X 1E2. The Corporation's financial year ends on September 30.

On March 28, 2013, the Corporation completed an initial public offering (the "**IPO**") pursuant to Policy 2.4 – *Capital Pool Companies* (the "**CPC Policy**") of the TSX Venture Exchange (the "**Exchange**") and became classified as a Capital Pool Company (as such term is defined in the CPC Policy). The Corporation's common shares were listed on the Exchange on March 27, 2013 and commenced trading on March 28, 2013 under the symbol "PPK.P".

The current market conditions and volatility increase the uncertainty of the Corporation's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Corporation has a working capital deficit of $173,473 as at June 30, 2020 (September 30, 2019 – deficit of $241,538). The Corporation will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. These material uncertainties cast significant doubt on the Corporation's ability to continue as a going concern.

There can be no assurance that the Corporation will be able to continue to raise funds in which case the Corporation may be unable to meet its obligations. Should the Corporation be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

Subsequent to December 31, 2019, the outbreak of the novel strain of corona virus, 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 financial results and condition of the Corporation in future periods.

On April 2, 2020, the Company completed the consolidation of its common shares on the basis of one post-consolidation common share for every five pre-consolidation common shares. As a result, all outstanding common shares and stock option and option information presented in these financial statements has been retroactively adjusted on this basis.

2. Significant Accounting Policies

(a) Statement of compliance and basis of presentation

These interim financial statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, issued by the International Accounting Standards Board using accounting policies consistent with International Financial Reporting Standards ("IFRS").

(In Canadian Dollars)

2. Significant Accounting Policies (continued)

The same accounting policies and methods of computation were followed in the preparation of these interim financial statements as were followed in the preparation and described in Note 2 of the annual financial statements as at and for the year ended September 30, 2019. Accordingly, these interim financial statements for the three and nine month periods ended June 30, 2020 and June 30, 2019 should be read together with the annual financial statements as at and for the year ended September 30, 2019.

The financial statements have been prepared on historical cost basis except for some financial instruments that have been measured at fair value.

These financial statements were authorized by the board of directors of the Corporation on August 25, 2020.

(b) New accounting policies adopted

IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and replaced IAS 17, “Leases”. IFRS 16 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard became effective for annual periods beginning on or after January 1, 2019. This standard had no impact as the Company does not have any leases.

3. Loans payable

On January 22, 2020, the Corporation issued unsecured promissory notes for an aggregate principal amount of $80,010. The notes have a term of 12 months and bear interest at a rate of 12% per annum payable on maturity.

On January 30, 2020, the Corporation issued an unsecured promissory note for an aggregate principal amount of $20,000. The note matures on January 22, 2021 and bears interest at a rate of 12% per annum payable on maturity.

4. Share Capital

(a) Authorized:

The Corporation has authorized share capital of an unlimited number of common shares.

(b) Issued common shares:

	Number of Shares	Amount
Balance, September 30, 2019 and June 30, 2020	**1,963,823**	**$ 1,363,419**

(In Canadian Dollars)

5. Stock Options

On June 6, 2016, shareholders of the Corporation approved an amended and restated stock option plan (the "**2016 Rolling Option Plan**"), and on July 20, 2016, the board of directors of the Corporation adopted a new 20% fixed number stock option plan (the "**2016 Fixed Option Plan**") for the Corporation reserving 1,735,252 (20% of the issued and outstanding common shares on such date) common shares for issuance. The 2016 Fixed Option Plan and the 998,061 stock options (the "**2016 Grants**") granted under the 2016 Fixed Option Plan were subject to shareholder approval at a subsequent shareholders' meeting. Pursuant to section 3.9(f) of Policy 4.4 – *Incentive Stock Options* of the Exchange, the 2016 Grants were terminated, and the Corporation reverted back to the 2016 Rolling Option Plan, as the 2016 Fixed Option Plan and 2016 Grants were not approved by shareholders within 12 months.

The following table reflects the actual stock options issued and outstanding as of June 30, 2020:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
March 28, 2023	1.00	2.75	119,645	119,645	-

The options outstanding have a weighted average remaining contractual life of 2.75 years and a weighted average exercise price of $1.00.

6. Related Party Transactions

Related parties include officers of the Corporation, the board of directors, close family members, enterprises and others that the Corporation does not deal with at arm's length. The below noted transactions are in the normal course of business. The Corporation considers its directors and officers to be key management.

(i) During the period, the Corporation was charged $4,520 (nine months ended June 30, 2019 - $20,340) in monthly fees, and $1,695 in accounting services by CFO Advantage Inc., a company owned by Kyle Appleby, the Chief Financial Officer of the Corporation. In January 2020, the Corporation entered into an agreement to settle $95,000 of debt with CFO Advantage Inc. in exchange for $45,000 ($22,500 of which has been paid and $22,500 of which remains payable), and terminated the monthly management agreement with CFO Advantage Inc. As at June 30 2020, $24,195 (September 30, 2019 - $91,220) is included in accounts payable and accrued liabilities for outstanding fees.

(ii) During the period, the Corporation was charged $32,333 in legal expenses (fees and disbursements) by DLA Piper (Canada) LLP. Included in the June 30, 2020 accounts payable and accrued liabilities is $28,894 (September 30, 2019 - $6,340) due to DLA for legal expenses (fees and disbursements). Robbie Grossman is a partner of DLA and an officer and director of the Corporation.

(iii) Pursuant to a management agreement (the "Management Agreement") dated September 25, 2014 between the Corporation and Prospect Park Management Inc., the general partner of Prospect Park Management Limited Partnership (the "Manager"), the manager of the Corporation, the Manager was appointed the manager of the Corporation to provide management, investment, valuation and administrative services and facilities to the Corporation and be responsible for the day-to-day operations of the Corporation. Effective January 22, 2020, the Management Agreement was terminated.

6. Related Party Transactions (continued)

(iv) As at June 30, 2020, $nil (September 30, 2019 - $14,434) is owed to Joshua Kornberg (a director of the Corporation) for expenses paid on behalf of the Corporation.

(v) $20,000 principal amounts of the loans payable (note 3) are held by individuals (James Greig and Toby Pierce) who became directors of the Corporation subsequent to the issuance of the notes.

(vi) See subsequent event note 10.

7. Net Loss per Common Share

Diluted loss per share for 2020 and 2019 did not include the effect of options or warrants as they are anti-dilutive.

8. Financial Instruments

(a) Credit Risk:

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

(b) Interest Rate Risk:

The Corporation is not exposed to any significant interest rate risk.

(c) Liquidity Risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(d) Capital Management:

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

8. Financial Instruments (continued)

(e) Currency Risk:

The Corporation's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk. The Corporation does not hold material balances in foreign currencies to give rise to exposure to foreign exchange risk.

9. Operating, general and administrative expenses

	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Legal expenses (fees and disbursements)	$ 7,016	$ -	$ 32,333	$ -
Accounting and audit	3,129	8,780	10,834	17,815
Regulatory fees	848	-	12,857	2,539
Transfer agent	1,642	721	10,230	8,619
Office	5,174	90	5,470	578
	$ 17,809	$ 9,591	$ 71,724	$ 29,551

10. Subsequent events

On July 15, 2020, the Corporation closed a non-brokered private placement for gross proceeds of $312,413 through the issuance of 2,777,000 units (a "Unit" or "Units") of the Corporation at $0.1125 per Unit (the "Offering"). Each Unit consists of (i) one common share of the Corporation, and (ii) one transferable common share purchase warrant, with each warrant entitling the holder thereof to acquire one additional common share of the Corporation at a price of $0.23 per share until July 14, 2022. The net proceeds of the Offering will be used by the Corporation for working capital.

In connection with the Offering the Corporation paid finder's fees of an aggregate of $24,993 and issued compensation options exercisable for 222,160 common shares at $0.1125 per share until July 14, 2022.

Toby Pierce and James Greig, directors of the Corporation, each subscribed for 300,000 Units under the Offering, accordingly their subscriptions are each a related party transaction.