Kootenay Zinc Corp.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended May 31, 2020 and 2019

Unaudited

Expressed in Canadian Dollars

Kootenay Zinc Corp.
Condensed Interim Statements of Financial Position
As at
(Expressed in Canadian dollars)

	Notes		May 31, 2020		February 29, 2020
Assets					
Current Assets					
Cash and cash equivalents		$	10,722	$	15,719
GST receivable			88,164		74,713
Prepaid expenses			-		4,100
Total Assets		$	**98,886**	$	**94,532**
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	4, 5, 6	$	284,254	$	172,664
Loan payable	6		20,000		-
Indemnification provision	5		167,640		160,135
Total Liabilities			**471,894**		**332,799**
Shareholders' Deficiency					
Share capital	5		6,110,338		5,985,338
Deficit			(6,483,346)		(6,223,605)
Total Shareholders' Deficiency			**(373,008)**		**(238,267)**
Total Liabilities and Shareholders' Deficiency		$	**98,886**	$	**94,532**

Nature of operations and going concern (Note 1)
Proposed business combination (Note 8)

Approved and authorized by the Board on July 30, 2020.

(signed) "*Von Torres*"
Von Torres
Director

(signed) "*Usama Chaudhry*"
Usama Chaudhry
Director

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

Kootenay Zinc Corp.

Condensed Interim Statements of Comprehensive Loss
For the three months ended May 31,
(Unaudited) (Expressed in Canadian dollars)

	Notes		2020		2019
Expenses					
Bank charges		$	62	$	68
Consulting			20,000		110,351
Exploration expenditures			29,315		-
Insurance			2,002		2,148
Indemnification provision interest			7,505		-
Management fees	6		30,000		15,000
Meals and entertainment			-		50
Office expenses			3,000		1,736
Professional fees	6		15,333		17,675
Rent			-		1,780
Transfer agent and filing fees			2,514		6,268
Travel expense			-		282
			(109,731)		**(155,358)**
Other items					
Foreign exchange gain			-		3,418
RTO Transaction cost	8		(184,540)		-
Write-off of accounts payable			4,530		-
Gain on debt settlement	4,5,6		30,000		-
Loss and comprehensive loss for the period		**$**	**(259,741)**	**$**	**(151,940)**
Loss per share - basic and diluted		**$**	**(0.02)**	**$**	**(0.02)**
Weighted average number of common shares outstanding - basic and diluted			**14,290,416**		**9,364,329**

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

Kootenay Zinc Corp.

Condensed Interim Statements of Changes in Shareholders' Deficiency
For the three months ended May 31, 2020 and 2019
(Unaudited) (Expressed in Canadian dollars)

	Share Capital			
	Number of shares	Amount	Deficit	Total
Balance at February 28, 2019	**9,364,329**	**$ 5,772,838**	**$ (5,806,500)**	**$ (33,662)**
Loss and comprehensive loss for the period	-	-	(151,940)	(151,940)
Balance at May 31, 2019	**9,364,329**	**$ 5,772,838**	**$ (5,958,440)**	**$ (185,602)**
Balance at February 29, 2020	**11,864,329**	**$ 5,985,338**	**$ (6,223,605)**	**$ (238,267)**
Private placements (Note 5)	1,900,000	95,000	-	95,000
Shares for debt (Notes 4, 5 and 6)	1,200,000	30,000	-	30,000
Loss and comprehensive loss for the period	-	-	(259,741)	(259,741)
Balance at May 31, 2020	**14,964,329**	**$ 6,110,338**	**$ (6,483,346)**	**$ (373,008)**

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

Kootenay Zinc Corp.

Condensed Interim Statements of Cash Flows
For the three months ended May 31,
(Unaudited) (Expressed in Canadian Dollars)

		2020		2019
Operating activities				
Loss for the period	$	(259,741)	$	(151,940)
Item not involving cash:				
Gain on debt settlement		(30,000)		-
Write-off of accounts payable		(4,530)		-
Indemnification provision interest		7,505		-
Changes in non-cash working capital items:				
GST receivable		(13,451)		(5,002)
Prepaid expenses		4,100		20,460
Accounts payable and accrued liabilities		176,120		(57,657)
Net cash used in operating activities		(119,997)		(194,139)
Financing activities				
Proceeds from private placements		95,000		-
Proceeds from loan payable		20,000		-
Net cash provided by financing activities		115,000		-
Change in cash and cash equivalents		(4,997)		(194,139)
Cash and cash equivalents, beginning		15,719		452,421
Cash and cash equivalents, ending	**$**	**10,722**	**$**	**258,282**
Supplemental Cash Flow Information				
Shares issued for debt settlement	$	30,000	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Kootenay Zinc Corp. (the "Company" or "Kootenay") was incorporated on March 23, 2015 pursuant to the *Business Corporations Act* (British Columbia). The shares of the Company are traded on the Canadian Securities Exchange (the "Exchange") under the symbol "ZNK". The address of its registered and head office is located at Suite 400 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

The Company was engaged in the business of mineral exploration and evaluation.

On September 12, 2019, the Company entered into an option agreement with Longford Capital Corp. to acquire 100% interest in the Angus Property. During the three months ended May 31, 2020, the Company decided not to continue the business of mineral exploration and evaluation. The carrying value of the mineral property was fully impaired (Note 5).

On June 23, 2020, the Company entered into a definitive agreement with Canndora Delivery Ltd. ("Canndora"), Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") to complete a business combination. The transaction will result in a reverse takeover ("RTO") and change of business of the Company. The resulting issuer will continue as a media company that specializes in e-commerce (Note 8).

These condensed 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. Several adverse conditions cast significant doubt on the validity of this assumption. The Company has incurred a net loss during the three months ended May 31, 2020 of $259,741 (2019 - $151,940) and as at May 31, 2020 has an accumulated deficit of $6,483,346 (February 29, 2020 - $6,223,605), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the acquisition of a business or asset. Management is actively engaged in the review and due diligence on opportunities of merit and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

If the going concern assumption were not appropriate for these condensed interim financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

In March 2020, there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). Therefore, these condensed interim financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(b) Approval of the financial statements

The condensed interim financial statements of the Company were approved by the directors and authorized for issue on July 30, 2020.

(c) Significant accounting judgments, estimates and assumptions

The preparation of interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the related amounts of assets and liabilities, revenues and expenses. In management's opinion, all adjustments considered necessary for fair presentation have been included in these unaudited interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the financial year. Annual results may differ from interim results. The significant judgments made by management applied in the preparation of these unaudited interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended February 29, 2020. For a description of the critical accounting estimates and assumptions, please refer to the Company's audited consolidated financial statements for the year ended February 29, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these financial statements are consistent with those used in the Company's audited financial statements for the year ended February 29, 2020. There have been no changes from the accounting policies applied in the February 29, 2020 financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2020	February 29, 2020
Accounts Payable	$ 269,254	$ 157,664
Accrued liabilities	15,000	15,000
Total	**$ 284,254**	**$ 172,664**

Included in accounts payable is $27,324 (February 29, 2020 - $91,429) due to related parties (Note 6).

During the three months ended May 31, 2020, the Company settled a debt with former officers and directors whereby the Company issued 1,200,000 common shares with fair value of $30,000 to settle a debt of $60,000. The Company recorded a gain of $30,000 on settlement (Note 5).

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On October 12, 2017, the Company closed a non-brokered flow-through private placement of 1,000,000 flow-through units (the “FT Unit”) at a price of $0.50 per FT Unit for gross proceeds of $500,000. Each FT Unit consists of one flow-through share of the Company and one common share purchase warrant (the “Warrant”). Each Warrant is convertible into one common share at a price of $1.00 per share and is exercisable for a period of one year. The Warrants were valued at $Nil using the residual value method and no value was allocated to the flow-through premium. During the year ended February 28, 2019, the Company amended its flow-through filings so that only 500,000 units (for $250,000) were to be considered flow-through units. Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures. As a result of not incurring the qualified expenditures and not filing the appropriate forms with Canada Revenue Agency, the Company recognized a provision for late filing penalties and accrued interest assessed against the Company in fiscal 2018 associated with flow-through share renunciation compliance requirements. The indemnification provision includes $39,297 related to interest and penalties in connection with this assessment. The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. As at May 31, 2020, the Company has included a provision for the indemnification of flow-through to shareholders of $167,640 (February 29, 2020 - $160,135) for these costs including interest and penalties. As at May 31, 2020 and February 29, 2020 the Company had $250,000 remaining in flow-through expenditure commitments.

On September 12, 2019, the Company issued 2,500,000 common shares of the Company with fair value of $212,500 in pursuant to the agreement between the Company and Longford Capital Corp. the Company decided not to continue its business of mineral exploration and evaluation. Accordingly, the carrying value of the mineral property was fully impaired as at February 29, 2020

On March 20, 2020, the Company closed a non-brokered private placement consisted of an issuance of non-flow-through (NFT) common shares and flow-through (FT) shares. 1,400,000 NFT common shares were issued at a price of $0.05 per NFT share for gross proceeds of $70,000 and 500,000 FT shares were issued at a price of $0.05 per FT share for gross proceeds of $25,000. The Company has spent the total flow-through proceeds of $25,000 for exploration expenditures during the three months ended May 31, 2020.

On March 20, 2020, the Company issued a total of 1,200,000 common shares with a fair value of $30,000 for a settlement of outstanding debts of $60,000, resulting in a gain on debt settlement of $30,000. The debts settled were related to management fees charged to the Company by former officers and directors. (Notes 4 and 6).

5. SHARE CAPITAL (CONTINUED)

(c) Stock options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to two years from the date of grant and must comply with the rules of the Exchange.

No stock options were granted during the three months ended May 31, 2020 and year ended February 29, 2020.

There were no stock options outstanding as at May 31, 2020 and February 29, 2020.

(d) Share purchase warrants

No share purchase warrants were issued during the three months ended May 31, 2020 and year ended February 29, 2020.

There were no share purchase warrants outstanding as at May 31, 2020 and February 29, 2020.

(e) Reserve

The share-based payment reserve records items recognized as share-based compensation until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. Upon expiry of options, the corresponding amount is re-classified to deficit.

6. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel of the Company are the directors and officers of the Company. During the three months ended May 31, 2020, the Company entered into the following transactions with key management personnel and other related parties:

a) Paid or accrued management fees of $30,000 (2019 - $Nil) to a former director and officer of the Company.
b) Paid or accrued accounting fees of $Nil (2019 - $15,000) to a company controlled by a former director and officer of the Company.

At May 31, 2020, $27,324 (February 29, 2020 - $91,429) was included in accounts payable and accrued liabilities as owing to related parties. Amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment (Note 4).

During the three months ended May 31, 2020, the Company settled an outstanding debt of $40,000 to former officer and director and $20,000 to a former officer and director of the Company by issuing a total of 1,200,000 common shares with a fair value of $30,000 (Notes 4 and 5). The debts settled were related to management fees charged to the Company.

During the three months ended May 31, 2020, the Company received a loan of $20,000 from a company controlled by an officer and director of the Company. This loan is non-interest bearing and is due on demand.

7. CONTINGENCIES

The Company was one of the respondents to the British Columbia Securities Commission ("BCSC") Temporary Order dated November 26, 2018 issued against a group of people and entities. The hearing was held on December 7, 2018. The case centred around share issuances by 11 Exchange issuers (the Company being one of the named issuers in the order) between February 2018 and August 2018. The BCSC is investigating whether the respondents violated securities legislation by participating in a scheme that involved conduct abusive to the capital markets and the illegal distribution of securities. The scheme, as set out by the BCSC, involved listed companies issuing private placement shares without a prospectus. The issuances were done under an exemption normally reserved for consultants. Pursuant to the BCSC decision dated January 15, 2019, the temporary order has not been extended against the Company.

On July 26, 2019, the Company received notice that a class action lawsuit has been filed against the Company, former directors of the Company and certain others in the Supreme Court of British Columbia. The plaintiffs are seeking damages for various possible causes of action, including unlawful conspiracy, misrepresentation and secondary market misrepresentations. The claim has not been certified as a class action as at the date hereof. The Company is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

8. PROPOSED BUSINESS COMBINATION

On June 23, 2020, the Company entered into a business combination agreement with Canndora Delivery Ltd. ("Canndora"), Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") to effect a proposed business combination. This will result in a RTO and change of business of the Company, and the resulting issuer will continue as a media company that specializes in e-commerce.

The Company will, concurrently or prior to closing of the transaction, complete a 1-for-23 share consolidation to reduce the number of common shares of the Company issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares.

Pursuant to the business combination agreements, the Company will structure the acquisition of all of the issued and outstanding shares of Canndora and Greeny as an amalgamation, pursuant to which Canndora shareholders will receive an aggregate of 18,260,870 resulting issuer shares in exchange for their shares of Canndora, and Greeny shareholders will receive an aggregate of 8,745,373 resulting issuer shares in exchange for their shares of Greeny. Subsequent to May 31, 2020, the Company received the approval of the transaction from 100% of the issued and outstanding shares of both Canndora and Greeny.

Pursuant to the support agreement, the Company will structure the acquisition of Lifted as a takeover bid supported by the board of directors of Lifted for 100% of the issued and outstanding shares of Lifted and options to acquire shares of Lifted, subject to a minimum deposit condition of 50.1% of Lifted common shares. Subsequent to May 31, 2020, the Company entered into lockup agreements with Lifted shareholders (who have agreed to tender into the takeover bid), which represents approximately 61% of the issued and outstanding shares of Lifted.

The Company will seek shareholder approval of the transaction and related matters at a shareholder meeting of the Company to be called following the preparation of meeting materials, and the Company will deliver a formal takeover bid offer to the shareholders and option holders of Lifted following the preparation of these materials. The transaction is subject to a number of conditions, including: (i) approval of the Canadian Securities Exchange; (ii) approval of the Company's shareholders; (iii) completion of the consolidation; and (iv) completion of a financing of a minimum of $500,000 and up to $1,500,000 (which the Company has increased from $1,000,000). Subject to the foregoing conditions being satisfied or, if applicable, waived, the transaction is anticipated to close in August, 2020.

Upon closing of the transaction, the Company's name will change to PeakBirch Logic Inc. During the three months ended May 31, 2020, the Company incurred the RTO transaction cost of $184,540.