

**EXPRESS CAPITAL CORP.**  
(formerly 1018746 BC Ltd.)

Condensed Interim Financial Statements

January 31, 2018

Presented in Canadian dollars - Unaudited

### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by the entity's auditor.

**EXPRESS CAPITAL CORP.**

(formerly 1018746 BC Ltd.)

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars – Unaudited)

	Note	January 31, 2018	July 31, 2017
<b>Assets</b>			
Current assets and total assets			
Cash		\$ 783	\$ 1
Receivables		1,000	-
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Total current assets and total assets		\$ 1,783	\$ 1
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<b>Liabilities and shareholders' equity</b>			
Current liabilities			
Accounts payable	3	\$ -	\$ 1,500
Due to related party		2,000	-
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		2,000	1,500
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Shareholders' equity			
Share capital	4	1,001	1
Deficit		(1,218)	(1,500)
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Total shareholders' equity		(217)	(1,499)
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Total liabilities and shareholders' equity		\$ 1,783	\$ 1
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Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

"Steve Bajic"

Steve Bajic, Director

"Dorian Banks"

Dorian Banks, Director

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

**EXPRESS CAPITAL CORP.**

(formerly 1018746 BC Ltd.)

Condensed Interim Statements of Comprehensive Income  
(Expressed in Canadian dollars – Unaudited)

	Three Months Ended January 31, 2018	Three Months Ended January 31, 2017	Six Months Ended January 31, 2018	Six Months Ended January 31, 2017
Administrative expenses				
General and administrative	\$ 218	\$ -	\$ 1,218	\$ -
Debt forgiveness	-	-	(1,500)	-
<b>Net and comprehensive income (loss)</b>	<b>\$ (218)</b>	<b>\$ -</b>	<b>\$ 282</b>	<b>\$ -</b>
<b>Weighted average number of outstanding shares</b>	<b>1,010,550</b>	<b>1</b>	<b>767,576</b>	<b>1</b>
<b>Basic and diluted loss per share</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

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**EXPRESS CAPITAL CORP.**

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Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars – Unaudited)

	Share capital			Total shareholders' equity
	Number	Amount	Deficit	
Balance, July 31, 2016 and October 31, 2016	1	\$ 1	\$ -	\$ 1
Balance, July 31, 2017	1	\$ 1	\$ (1,500)	\$ (1,499)
Issuance of shares for cash	1,010,549	1,000	-	1,000
Net income	-	-	282	282
Balance, January 31, 2018	1,010,550	\$ 1,001	\$ (1,218)	\$ (217)

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

**EXPRESS CAPITAL CORP.**

(formerly 1018746 BC Ltd.)

Condensed Interim Statements of Cash Flows  
(Expressed in Canadian dollars – Unaudited)

	Six Months Ended January 31, 2018	Six Months Ended January 31, 2017
Cash provided by (used in):		
Operating activities		
Net income	\$ 282	\$ -
Changes in non-cash working capital items		
Receivables	(1,000)	-
Accounts payables	(1,500)	-
Due to related parties	2,000	-
<u>Cash used in operating activities</u>	<u>(218)</u>	<u>-</u>
Financing activity		
Shares issued for cash	1,000	-
<u>Cash provided by financing activity</u>	<u>1,000</u>	<u>-</u>
Increase (decrease) in cash	782	-
Cash, beginning	1	-
<u>Cash, ending</u>	<u>\$ 783</u>	<u>\$ -</u>

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

## **EXPRESS CAPITAL CORP.**

(formerly 1018746 BC Ltd.)

For the six months ended January 31, 2018

(Expressed in Canadian dollars – Unaudited)

### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Express Capital Corp. (formerly 1018746 B.C. Ltd., respectively) (the “Company”) was incorporated as a wholly-owned subsidiary of reporting issuer UWO Consulting Ltd. (“UWO”) on November 10, 2014 under the laws of British Columbia, Canada, pursuant to a plan of arrangement between the Company, UWO, 1018758 B.C. Ltd., 1018747 B.C. Ltd., 1018760 B.C. Ltd., 1018761 B.C. Ltd., 1018763 B.C. Ltd., 1018764 B.C. Ltd., 1018765 B.C. Ltd., 1018766 B.C. Ltd. and 1018759 B.C. Ltd. The Company is in the business of consulting on capital markets deal structuring, venture capital and corporate advisory. Its head office and registered office is located at 1740-1177 West Hastings Street, Vancouver, BC, V6E 2K3, Canada.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully develop its business consulting on capital markets deal structuring, venture capital and corporate advisory.

The development of its business may take many years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. On October 31, 2017, the Company had not yet achieved profitable operations, had a net income of \$282 (2016: \$NIL), a deficit of \$1,218 (July 31, 2017: \$1,500) and a working capital deficit of \$217 (July 31, 2017: \$1,499), and expects to incur losses in the development of its business, all of which casts material uncertainty about the Company’s ability to continue as a going concern.

The financial statements were approved by the Board of Directors on April 2, 2018.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### *(a) Basis of presentation*

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s July 31, 2017 annual financial statements and are presented in Canadian dollars, which is the Company’s functional currency.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on April 2, 2018.

#### *(b) Use of estimates and judgments*

The preparation of the Company’s condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of stock-based compensation, and the recognition of deferred income tax assets. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Company’s accounting policies include the assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

## **EXPRESS CAPITAL CORP.**

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For the six months ended January 31, 2018

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *(c) Accounting standards issued but not yet effective*

##### *(i) New standard IFRS 9 “Financial Instruments”*

This new standard is a partial replacement of International Accounting Standard (“IAS”) 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The proposed effective date of IFRS 9 is annual periods beginning on or after January 1, 2018.

The Company has not early adopted this revised standard and does not expect this will have a material effect on the Company’s future results and financial operations.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s condensed interim financial statements.

### **3. SHARE CAPITAL**

#### *Common shares*

The Company has authorized an unlimited number of common shares without par value.

On September 14, 2017, the Company issued 1,010,549 common shares for proceeds of \$1,000.

#### *Preferred shares*

The Company has authorized an unlimited number of common shares without par value.

### **4. CAPITAL DISCLOSURES**

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The

Company considers the items included in shareholders’ equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary asset. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

## EXPRESS CAPITAL CORP.

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For the six months ended January 31, 2018

(Expressed in Canadian dollars – Unaudited)

### 5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

	Ref.	January 31, 2018	July 31, 2017
		\$	\$
Other financial assets	a	1,783	1
Other financial liabilities	b	2,000	(1,500)

a. Comprised of petty cash and receivables

b. Comprised of due to related party.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

#### **Management of Industry and Financial Risk**

The Company is in the business of consulting on capital markets, deal structuring, venture capital and corporate advisory.

The Company's financial instruments are exposed to certain financial risks, which include the following:

#### **Credit risk**

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash are held in corporate bank accounts available on demand. Liquidity risk has been assessed as being high.

#### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

#### **Currency Risk**

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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### **5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)***

#### ***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

#### ***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.