EXPRESS CAPITAL CORP.

Financial Statements for

Years Ended July 31, 2018 and 2017

(Expressed in Canadian dollars)

p | 604.683.3277
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BURRARD STREET
BOX 243
VANCOUVER, BC V7X 1M9

charlton

charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Express Capital Corp.

We have audited the accompanying financial statements of Express Capital Corp., which comprise the statements of financial position as at July 31, 2018 and 2017 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Express Capital Corp. as at July 31, 2018 and 2017, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date and its continuance as a going concern is dependent upon its ability to raise additional capital or evaluate strategic alternatives. These conditions as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
November 28, 2018

Express Capital Corp.
Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at July 31, 2018	As at July 31, 2017
		$	**$**
Current Assets			
Cash		**67,462**	1
Subscriptions receivable	**4**	**46,665**	**-**
Total Assets		**114,127**	1
Liabilities			
Accounts payable and accrued liabilities	**8**	**64,884**	1,500
Shareholders' Equity			
Share capital	**4**	**121,000**	1
Accumulated deficit		**(71,757)**	(1,500)
		49,243	(1,499)
Total Liabilities and Shareholders' Equity		**114,127**	1

Nature and Continuance of Operations (Note 1)
Subsequent events (Note 9)

The accompanying notes are integral to these financial statements.

Approved on behalf of the Board:

"Lucas Birdsall"
Director

Express Capital Corp.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars except the number of shares)

	Notes	Number of Outstanding Shares	Share Capital	Deficit	Total Shareholders' Equity
			$	$	$
Balance, July 31, 2016	**4**	**1**	**1**	**-**	**1**
Net and comprehensive loss		**-**	**-**	**(1,500)**	**(1,500)**
Balance, July 31, 2017		**1**	**1**	**(1,500)**	**(1,499)**
Cancellation of founder share		**(1)**	**(1)**	**-**	**(1)**
Plan of arrangement	**4**	**1,010,549**	**1,000**	**-**	**1,000**
Private placement	**4**	**4,000,000**	**120,000**	**-**	**120,000**
Net and comprehensive loss		**-**	**-**	**(70,257)**	**(70,257)**
Balance, July 31, 2018		**5,010,549**	**121,000**	**(71,757)**	**49,243**

The accompanying notes are integral to these financial statements.

Express Capital Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars except the number of shares)

	For Year Ended July 31, 2018	For Year Ended July 31, 2017
	$	$
Expenses		
Professional fees	**9,438**	1,500
General and administrative	**2,730**	-
Travel	**6,850**	-
Consulting	**51,739**	-
Bad debts	**1,000**	-
	(71,757)	(1,500)
Other items		
Forgiveness of accounts payable	**1,500**	-
Net and comprehensive loss for the year	**(70,257)**	(1,500)
Basic and diluted loss per Class A common share	**(0.03)**	(1,500)
Weighted average number of Class A common shares outstanding	**2,113,359**	1

The accompanying notes are integral to these financial statements

Express Capital Corp.
Statements of Cash Flows
(Expressed in Canadian dollars)

	For Year Ended July 31, 2018	For Year Ended July 31, 2017
	$	$
Operating Activities		
Income (loss) for the year	**(70,257)**	(1,500)
Adjustment for items not effecting cash		
Bad debt	**1,000**	-
Forgiveness of debt	**(1,500)**	-
Change in non-cash working capital		
Accounts payable and accrued liabilities	**63,884**	1,500
	(6,873)	-
Financing activities		
Plan of arrangement	**1,000**	-
Private placement	**73,334**	-
	74,334	-
Change in cash	**67,461**	-
Cash, beginning of the year	**1**	1
Cash, end of the year	**67,462**	1

The accompanying notes are integral to these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Express Capital Corp. (the "Company") was incorporated as a wholly-owned subsidiary of reporting issuer UWO Consulting Ltd. ("UWO") on November 11, 2014 under the laws of British Columbia, Canada. Pursuant to a plan of arrangement between the Company and UWO, the Company's shares were distributed to the shareholders of UWO on July 28, 2017. 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 St., Vancouver, BC V6E 2K3.

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 in successful and the amount of resulting income, if any, is difficult to determine with any certainty. On July 31, 2018, the Company had not yet achieved profitable operations, had a net loss of $70,257 (2017: $1,500) and a deficit of $71,757 (2017: $1,500), 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 November 28, 2018.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"). These financial statements have been prepared on the basis of IFRS that are effective for the Company's reporting year ended.

The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss or available for sale, if applicable, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Deferred income tax

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimates of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Going concern

The assumption that the Company is a going concern and will continue into the foreseeable future. The factors considered by management are disclosed in Note 1.

b. Cash and cash equivalents

Cash comprises of cash held at a bank and is highly liquid in nature.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Shared-based payments

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

d. Deferred income taxes

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

e. Financial instruments

The Company classifies financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired or issued. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

e. Financial instruments (continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They would be included in current assets, except for maturities greater than 12 months after the end of the reporting period. These would be classified as non-current assets. The Company has classified cash and amounts receivable as loans and receivables.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments would be included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company has no held-to-maturity investments.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

Accounts payable and accrued liabilities, loans and due to related parties are classified as other liabilities at amortized cost. The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends to either settle on a net basis or to realize the assets and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

The Company does not have any material derivative financial assets and liabilities.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured using level 1 inputs.

f. Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

i. Future changes in accounting policies

The Company has not early adopted the following revised standards and does not expect them to have an impact on the on its future financial statements.

New standards and interpretations issued but not yet effective:

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

- IFRS 9 Financial Instruments: is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018.

- IFRS 15: Revenue from Contracts with Customers: is a new standard which establishes a new five-step model for revenue arising from contracts with customers. Revenue is recognized as the amount that reflects the consideration to which any entity expects to be entitled to in exchange for transferring goods or services to a customer. IFRS 15 is effective for periods beginning on or after January 1, 2018.

- IFRS 16 Lease replaces IAS 17 – Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effect for annual reports beginning on or after January 1, 2019, with earlier adoption permitted.

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 financial statements.

4. SHARE CAPITAL

Shares

Authorized: Unlimited Class A Common shares without par value; and
Unlimited Class B Preferred shares without par value.

Issued and Outstanding:

One Class A common share was issued by the Company at $1.00 on November 11, 2014 to the incorporator, which was cancelled during the fiscal year-ended July 31, 2018.

On September 14, 2017, the Plan of Arrangement between the Company and Pharmalogix Investments Corp. (formerly UWO Consulting Ltd.) completed, pursuant to which 1,010,549 shares of were issued to the Pharmalogix Investments Corp. (formerly UWO Consulting Ltd.) shareholders in exchange of $1,000 transferred to the Company.

On April 10, 2018, the Company issued 4,000,000 common shares for proceeds of $120,000. As at July 31, 2018, there is a balance of $46,665 outstanding in relation to this financing (Note 9).

(Expressed in Canadian dollars)

5. CAPITAL MANAGEMENT

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 and there have been no changes in the Company's approach to capital management during the year.

6. INCOME TAXES

A reconciliation of income taxes at statutory tax rates is as follows:

	2018	2017
	$	$
Loss for the year	(70,257)	(1,500)
Statutory tax rate	26.00%	26.00%
Expected recovery of income taxes	(18,267)	(390)
Change in benefit not recognized	18,267	390
Deferred income tax recovery	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

	2018	2017
	$	$
Non-capital losses	18,657	390

Losses in Canada that reduce future income for tax purposes expire as follows:

2037	$	1,500
2038		70,257
	$	71,757

7. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

	Ref.	**July 31, 2018**	**July 31, 2017**
		$	**$**
Other financial assets	a	114,127	1
Other financial liabilities	b	(64,884)	(1,500)

a. Comprises cash and subscriptions receivable.
b. Comprises accounts payable.

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. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

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 two types of risk: interest rate risk and price risk.

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. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

7. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

Price Risk

Price risk is the potential for the decline in the price of an asset or security relative to the rest of the market. The Company does not hold any equity investments. Price risk has been assessed as low.

8. RELATED PARTY TRANSACTIONS

As at July 31, 2018, accounts payable and accrued liabilities include an amount of $6,851 (July 31, 2017 – $Nil) due to officers of the Company and/or companies controlled by officers of the Company.

9. SUBSEQUENT EVENT

On September 26, 2018, the Company signed a binding Letter of Intent with Potbotics Inc. ("Potbotics") whereby the Potbotics and the Company will enter into a business combination by way of a share exchange which will result in Potbotics becoming a wholly-owned subsidiary of the Company. The company will issue two common shares for each of the Potbotics 49,165,562 common shares issued and outstanding and two common shares for each of the Potbotics 14,393,746 convertible debentures assuming all principal and accrued and unpaid interest is converted on maturity at December 31, 2018 in relation to this transaction. The Company is currently conducting due diligence procedures.

Prior to or concurrent with the transaction, the parties will complete a financing for $1,000,000 at a price of $0.40 per share.

A finders' fee of 1,750,000 shares will be payable upon completion of the transaction.

Subsequent to the year end, $40,680 of the $46,665 subscription receivable was collected by the Company.