EXPRESS CAPITAL CORP.

Financial Statements for

Years Ended July 31, 2019 and 2018

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Express Capital Corp.

Opinion

We have audited the financial statements of Express Capital Corp. (the "Company"), which comprise the statement of financial position as at July 31, 2019, and the statements of changes in shareholders' equity, comprehensive loss, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended July 31, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on November 28, 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 28, 2019

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

	Notes	**As at July 31, 2019**	As at July 31, 2018
		$	$
Current Assets			
Cash		**6,172**	67,462
Subscriptions receivable	**4**	**-**	46,665
Total Assets		**6,172**	114,127
Liabilities			
Accounts payable	**8**	**9,836**	61,834
Accrued liabilities		**5,000**	3,500
		14,836	64,884
Shareholders' Equity			
Share capital	**4**	**121,000**	121,000
Accumulated deficit		**(129,664)**	(71,757)
		(8,664)	49,243
Total Liabilities and Shareholders' Equity		**6,172**	114,127

Nature and Continuance of Operations (Note 1)

The accompanying notes are integral to these financial statements.

Approved on behalf of the Board:

"Lucas Birdsall"	*"Dorian Banks"*
Director	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 (Deficiency)
			$	$	$
Balance, July 31, 2017		**1**	**1**	**(1,500)**	**(1,499)**
Cancellation of founder share	**4**	**(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**
Net and comprehensive loss		**-**	**-**	**(57,907)**	**(57,907)**
Balance, July 31, 2019		**5,010,549**	**121,000**	**(129,664)**	**(8,664)**

The accompanying notes are integral to these financial statements.

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

	Note	**For Year Ended July 31, 2019**	For Year Ended July 31, 2018
		$	$
Expenses			
Professional fees		**13,899**	**9,438**
General and administrative		**13,695**	**2,730**
Transfer agent and filing fees		**8,730**	**-**
Travel		**-**	**6,850**
Consulting	**8**	**21,583**	**51,739**
Bad debt		**-**	**1,000**
		(57,907)	**(71,757)**
Other items			
Forgiveness of accounts payable		**-**	**1,500**
Net and comprehensive loss for the year		**(57,907)**	**(70,257)**
Basic and diluted loss per Class A common share		**(0.01)**	**(0.03)**
Weighted average number of Class A common shares outstanding		**5,010,549**	**2,113,359**

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, 2019	For Year Ended July 31, 2018
	$	$
Operating Activities		
Net loss for the year	**(57,907)**	(70,257)
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	**(50,048)**	63,884
	(107,955)	(6,873)
Financing activities		
Plan of arrangement	**-**	1,000
Subscriptions received	**46,665**	**-**
Private placement	**-**	73,334
	46,665	74,334
Change in cash	**(61,290)**	67,461
Cash, beginning of the year	**67,462**	1
Cash, end of the year	**6,172**	67,462

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 Pharmalogix Investments Corp. (formerly 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. As a result of the plan of arrangement, the Company is a reporting issuer in British Columbia and Alberta. 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, 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 the Company's 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, 2019, the Company had not yet achieved profitable operations, had a net loss of $57,907 (2018: $70,257) and a deficit of $129,664 (2018: $71,757), and expects to incur losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern.

The financial statements were approved by the Board of Directors on November 28, 2019.

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").

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 fair value through other comprehensive income, 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 year. 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

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 adopted all of the requirements of IFRS 9 Financial Instruments (“IFRS 9”) on a prospective basis in accordance with the transitional provisions. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). The adoption of IFRS 9 did not result in any change in the carrying values of any of the Company’s financial assets on the transition date.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial asset/ liability	Original classification IAS 39	New classification IFRS 9
Cash	Loans and receivables	Amortized cost
Subscriptions receivable	Loans and receivables	Amortized cost
Accounts payable	Amortized cost	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES

e. Financial instruments (continued)

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and are subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income (loss) ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

3. SIGNIFICANT ACCOUNTING POLICIES

e. Financial instruments (continued)

The Company recognizes in the statements of comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(v) Fair value

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.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g. 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 has not yet been adopted and is not expected to have an impact on the Company's financial statements:

- 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. The Company does not have any leases and does not expect IFRS 16 to have a significant impact on its financial statements.

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

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 as between the Company and Pharmalogix Investments Corp. (formerly UWO) completed, pursuant to which 1,010,549 shares were issued to the Pharmalogix Investments Corp. 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. At July 31, 2018, $46,665 relating to this placement was recorded as subscriptions receivable.

(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:

	2019	2018
	$	$
Loss for the year	(57,907)	(70,257)
Statutory tax rate	27.00%	26.00%
Expected recovery of income taxes	(15,635)	(18,267)
Effect of change in tax rate	(717)	-
Change in benefit not recognized	16,352	18,267
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:

	2019	2018
	$	$
Non-capital losses	35,009	18,657

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

2037	$	1,500
2038		70,257
2039		57,907
	$	129,664

7. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

	Ref.	July 31, 2019	July 31, 2018
		$	$
Other financial assets	a	6,172	114,127
Other financial liabilities	b	(9,836)	(61,834)

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

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.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

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.

7. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

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.

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, 2019, accounts payable includes an amount of $Nil (July 31, 2018 – $6,851) due to officers of the Company and/or companies controlled by officers of the Company. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

During the year ended July 31, 2019, the Company incurred consulting fees of $2,000 (2018 - $Nil) to an officer of the Company.