PLB CAPITAL CORP.

(A Capital Pool Company)

Financial Statements

(Expressed in Canadian Dollars)

November 30, 2019

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of PLB Capital Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PLB Capital Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2019 and 2018, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the periods 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 November 30, 2019 and 2018, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards (IFRS).

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 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

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, 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 IFRS, 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 G. Cameron Dong.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
March 30, 2020.

PLB CAPITAL CORP.
Statements of Financial Position
Expressed in Canadian Dollars

		November 30, 2019		November 30, 2018
Assets				
Current Assets				
Cash	$	201,060	$	70,169
Amounts receivable		2,344		-
Prepaids		-		11,517
Total Assets		**203,404**		**81,686**
Liabilities and Shareholders' Equity				
Shareholders' equity				
Contributed surplus		35,090		-
Share Capital		260,055		100,000
Deficit		(91,741)		(18,314)
Total Shareholders' Equity		**203,404**		**81,686**
Total Liabilities and Shareholders' Equity	**$**	**203,404**	**$**	**81,686**

Nature of Operations and Going Concern (Note 1)

On behalf of the Board:

"Giuseppe Perone", Director

"David Loretto", Director

PLB CAPITAL CORP.
Statements of Comprehensive Loss
Expressed in Canadian Dollars

		Year Ended November 30, 2019		For the period from July 4, 2018 (Date of Incorporation) to November 30, 2018
Expenses				
Audit and accounting	$	7,200	$	-
Consulting		6,000		-
Interest and bank charges		96		206
Legal		13,999		3,483
Office and administration		5,232		1,028
Share-based compensation		29,800		-
Transfer and filing		11,100		13,597
		(73,427)		(18,314)
Net loss and comprehensive loss for the period	**$**	**(73,427)**	**$**	**(18,314)**
Basic and diluted loss per share		**(0.02)**		**(0.02)**
Weighted average number of common shares outstanding		**3,430,137**		**946,667**

PLB CAPITAL CORP.
Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars

	Share Capital				
	Number of Shares	**Amount**	**Contributed surplus**	**Deficit**	**Total Equity**
Balance at November 30, 2018	**2,000,000**	**$ 100,000**	**$ -**	**$ (18,314)**	**$ 81,686**
Public offering – net of cash share issue costs	2,000,000	165,345	-	-	165,345
Finder's warrants	-	(5,290)	5,290	-	-
Share-based compensation	-	-	29,800	-	29,800
Net loss for the year	-	-	-	(73,427)	(73,427)
Balance at November 30, 2019	**4,000,000**	**$ 260,055**	**$ 35,090**	**$ (91,741)**	**$ 203,404**

	Share Capital				
	Number of Shares	**Amount**	**Contributed surplus**	**Deficit**	**Total Equity**
Balance at July 4, 2018 (Date of Incorporation)	-	$ -	$ -	$ -	$ -
Proceeds from share issuance	2,000,000	100,000	-	-	100,000
Net loss for the period	-	-	-	(18,314)	(18,314)
Balance at November 30, 2018	**2,000,000**	**$ 100,000**	**$ -**	**$ (18,314)**	**$ 81,686**

PLB CAPITAL CORP.
Statements of Cash Flows
Expressed in Canadian Dollars

	For the Year Ended November 30, 2019	For the period from July 4, 2018 (Date of Incorporation) to November 30, 2018
Operating Activities		
Net loss for period	$ (73,427)	$ (18,314)
Item not involving cash:		
Share-based compensation	29,800	-
	(43,627)	(18,314)
Changes in non-cash working capital items:		
Amounts receivable	(2,344)	-
Prepaids	11,517	(11,517)
Net cash flows used in operating activities	**(34,454)**	**(29,831)**
Financing Activities		
Cash received in public offering, net	165,345	-
Share issuance proceeds	-	100,000
Cash provided by financing activities	165,345	100,000
Net increase in cash	130,891	70,169
Cash, beginning of the year	70,169	-
Cash, end of year	**$ 201,060**	**$ 70,169**

See accompanying notes.

1. Nature of Operations and Going Concern

PLB Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on July 4, 2018 and is a Capital Pool Company under the policies of the TSX Venture Exchange (the "Exchange").

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a "Qualifying Transaction" as it is defined in the policies of the Exchange. The Company has commenced the process of identifying potential acquisitions. There is no assurance that the Company will identify and complete a Qualifying Transaction within the time period described by the policies of the Exchange. Moreover, even if a potential Qualifying Transaction is identified by the Company, it may not meet the requirements of the Exchange.

The head office, principal and registered address and records office of the Company are located at Suite 2080, 777 Hornby Street, Vancouver BC, V5Z 1S4.

The Company has no source of operating revenue, has incurred net losses since inception and during the year ended November 30, 2019 incurred a net loss of $73,427. Its continued existence will be dependent on the receipt of related party debt or equity financing on terms which are acceptable to the Company.

2. Significant Accounting Policies and Basis of Preparation

The audited financial statements were authorized for issue by the directors of the Company on March 30, 2020.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Significant accounting judgments, estimates and assumptions

Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appear throughout the financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. Estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

2. Significant Accounting Policies and Basis of Preparation (*cont'd*)

Significant accounting judgments, estimates and assumptions (*cont'd*)

Critical accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the financial statements. Judgments involve a degree of uncertainty and could result in material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made.

i) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the statement of loss and comprehensive loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI. However, an irrevocable election can be made at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in fair value through other comprehensive income.

The Company's cash is classified as subsequently measured at amortized cost.

2. Significant Accounting Policies and Basis of Preparation (*cont'd*)

Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date 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 income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Significant Accounting Policies and Basis of Preparation (*cont'd*)

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 using the treasury stock method, under which the weighted average number of shares outstanding is 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 are exercised.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Equity-settled transactions

Share-based payment arrangements whereby the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. Equity instruments issued as consideration for the purchase of non-monetary assets are measured based on the fair value of the common shares on the date the shares are issued.

Share-based compensation

The Company grants stock options to certain of its directors. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest. This number is reviewed annually, with any change in estimate recognized immediately in compensation expense with a corresponding adjustment to contributed surplus.

Upon exercise of a stock option, consideration paid together with the share-based compensation amount previously recognized in contributed surplus is recorded as an increase to share capital.

3. Accounting Standards Issued but not yet Effective

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

Expressed in Canadian Dollars

4. Related Party Disclosures

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	November 30, 2019
Share-based compensation	$ 29,800

5. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the year ended November 30, 2019, there were 2,000,000 common shares issued by the company, for $0.10 per share for total proceeds of $200,000. The Company paid cash share issue costs of $34,655, and issued 100,000 finder's warrants with a fair value of $5,290 (see Note 5(e)).

During the year ended November 30, 2018, there were 2,000,000 common shares issued by the Company, for $0.05 per share for total proceeds of $100,000.

(c) Escrowed shares

An escrow agreement (the "Escrow Agreement") between the Company and certain shareholders of the Company has been completed resulting in 2,000,000 common shares (the "Escrowed Shares"), being all of the issued and outstanding common shares prior to the completion of the Offering, being deposited in escrow. Pursuant to the Escrow Agreement, the Escrowed Shares shall be released pro-rata to the shareholders as to 10% upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These Escrowed Shares are considered contingently returnable until a Qualifying Transaction is complete. These Escrowed Shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

(d) Stock option plan

Options pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the shares and the expected life of the option. Changes in these assumptions can materially affect the fair value estimate and therefore, it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants and warrant issuances.

On March 14, 2019, the Company granted a total of 400,000 share purchase options to the directors and officers. These options will be exercisable for a price of $0.10 per share for a period of five years.

Expressed in Canadian Dollars

5. Share Capital *(cont'd)*

(d) Stock option plan *(cont'd)*

The continuity of stock options is as follows:

	2019	
	Number of Options	Weighted Average Exercise Price
		$
Balance, beginning of the year	-	-
Granted	400,000	0.10
Balance, end of the year	400,000	0.10

The following stock options were outstanding and exercisable as at November 30, 2019:

Expiry Date	Exercise Price	Number of Options	Remaining Contractual Life (Years)
March 14, 2024	$0.10	400,000	4.29
Total		400,000	
Weighted average years to expiry			4.29

The Company employed the Black-Scholes option-pricing model using the following assumptions:

	2019
Risk-free interest rate	1.34%
Expected life of options in years	5 years
Expected volatility	100%
Dividend per share	-
Forfeiture rate	-

(e) Share purchase warrants

On completion of the Offering, the Company granted to its agent warrants to acquire up to 5% of the common shares issued under the Offering at a price of $0.10 per share for a period of 24 months from the closing date of the Offering, being up to 100,000 common shares.

Details of the status of the Company's share purchase warrants are as follows:

	2019	
	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	-	$ -
Granted	100,000[(1)]	0.10
Outstanding, end of year	100,000	$ 0.10

(1) Expire March 14, 2021

6. Financial Risk and Capital Management

Capital management

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There were no changes to the Company's capital management approach during the year ended November 30, 2019.

Management of financial risk

The types of risk exposure and the Company's methods of managing the risk remain consistent and are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

(i) Interest rate risk

The Company is not subject to significant interest rate risk with respect to its financial instruments.

(ii) Currency risk

The Company is not exposed to currency risk, as all financial instruments and expenditures incurred by the Company are denominated in Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices. The Company is not exposed to significant other price risk on its financial instruments.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk on receivables, as these amounts are due from government agencies. The carrying amount of financial assets represents the maximum credit exposure.

Expressed in Canadian Dollars

6. Financial Risk and Capital Management *(cont'd)*

Management of financial risk *(cont'd)*

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities, and through management of its capital structure. The Company does not have any financial liabilities as at November 30, 2019.

The fair values of the Company's financial assets approximate the carrying amounts due to their short-term nature.

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.

All the Company's financial instruments are measured at Level 1 as at November 30, 2019.

7. Income Taxes

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

		2019		2018
Loss before income taxes	$	(73,427)	$	(18,314)
Total expected income tax recovery at statutory rates		(19,825)		(4,945)
Adjustment for deductible and non-deductible amounts		(711)		126
Unrecognized benefit of income tax losses		20,536		4,819
Total income tax recovery	$	-	$	-

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets or liabilities have been recognized are attributable to the following:

		2019		2018
Non-capital loss carryforwards	$	17,800	$	4,800
Share issue costs		7,500		-
Potential deferred income tax assets		25,300		4,800
Valuation allowance		(25,300)		(4,800)
Net Deferred income tax assets	$	-	$	-

Expressed in Canadian Dollars

7. Income Taxes *(cont'd)*

As at November 30, 2019, the Company has Canadian non-capital losses carried forward of approximately $66,100 (2018 – $17,800). These losses are available to be utilized as deductions against future year's Canadian taxable income from Canadian operations. Canadian non-capital losses, if not utilized will expire as follows:

Year of Expiry	$
2038	17,800
2039	48,300
	66,100