PLB CAPITAL CORP.

(A Capital Pool Company)

Unaudited Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

For the Three Month Period Ended February 29, 2020

Notice of No Auditor Review of the Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of PLB Capital Corp. (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 financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

PLB CAPITAL CORP.

Unaudited Condensed Interim Statement of Financial Position
Expressed in Canadian Dollars

		February 29, 2020		November 30, 2019
Assets				
Current Assets				
Cash	$	201,042	$	201,060
Amounts receivable		2,604		2,344
Total Assets	$	**203,646**	**$**	**203,404**
Liabilities and Shareholders' Equity				
Accounts payable	$	5,460	$	-
Shareholders' equity				
Contributed surplus		29,800		29,800
Share Capital		265,345		265,345
Deficit		(96,959)		(91,741)
Total Shareholders' Equity		**198,646**		**203,404**
Total Liabilities and Shareholders' Equity	**$**	**203,646**	**$**	**203,404**

Nature of Operations and Going Concern (Note 1)

On behalf of the Board:

"Giuseppe Perone", Director

"David Loretto", Director

PLB CAPITAL CORP.

Unaudited Condensed Interim Statement of Comprehensive Loss
Expressed in Canadian Dollars

		For the Three Month Period Ended February 29, 2020		For the Three Month Period Ended February 28, 2019
Expenses				
Audit and accounting	$	-	$	7,560
Interest and bank charges		18		20
Legal		-		10,055
Office and administration		-		790
Transfer and filing		5,200		-
		(5,218)		(18,425)
Net loss and comprehensive loss for the period	**$**	**(5,218)**	**$**	**(18,425)**
Basic and diluted loss per share		**(0.00)**		**(0.04)**
Weighted average number of common shares outstanding		**3,594,521**		**493,151**

See accompanying notes.

PLB CAPITAL CORP.
Unaudited Condensed Interim Statement of Cash Flows
Expressed in Canadian Dollars

	For the Three Month Period Ended February 29, 2020	For the Three Month Period Ended February 28, 2019
Operating Activities		
Net loss for period	$ (5,218)	$ (18,425)
Changes in non-cash working capital items:		
Amounts receivable	(260)	-
Prepaids	-	1,517
Accounts payable	5,460	8,350
Net cash flows used in operating activities	**(18)**	**(8,558)**
Net decrease in cash	(18)	(8,558)
Cash, beginning of the period	201,060	70,169
Cash, end of period	**$ 201,042**	**$ 61,611**

PLB CAPITAL CORP.
Unaudited Condensed Interim Statement of Changes in Shareholders' Equity
Expressed in Canadian Dollars

	Share Capital								
	Number of Shares		Amount		Contributed surplus		Deficit		Total Equity
Balance at November 20, 2019	**4,000,000**	**$**	**265,345**	**$**	**29,800**	**$**	**(91,741)**	**$**	**203,404**
Net loss for the period	-		-		-		(5,218)		(5,218)
Balance at February 29, 2020	**4,000,000**	**$**	**265,345**	**$**	**29,800**	**$**	**(96,959)**	**$**	**198,186**

	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**
Share-based payments	**-**		**-**		29,800				29,800
Public offering – net of share issue costs	2,000,000		165,345		-		-		165,345
Net loss for the year	-		-		-		(73,427)		(73,427)
Balance at November 30, 2019	**4,000,000**	**$**	**265,345**	**$**	**29,800**	**$**	**(91,741)**	**$**	**203,404**

See accompanying notes.

1. Nature of Operations and Going Concern

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 three month period ended February 29, 2020 incurred a net loss of $5,218. 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 unaudited condensed interim financial statements were authorized for issue by the directors of the Company on April 29, 2020.

Statement of compliance

The unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears 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 unaudited condensed interim 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

Financial assets are classified as Fair value through profit or loss ("FVTPL") when the financial asset is held-for-trading or is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future, it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss.

Financial liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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.

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

***Impairment of non-financial assets** (cont'd)*

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.

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.

3. Accounting Standards Issued but not yet Effective

There are no new standards or amendments to standards and interpretations applicable to the Company.

Other 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.

4. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the three month period ended February 29, 2020, there were no shares issued, purchased or cancelled.

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.

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 Exchange and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These Escrowed Shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities. 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 for a period of five years.

Expressed in Canadian Dollars

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

The continuity of stock options is as follows:

	2020	
	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 February 29, 2020:

Expiry Date	Exercise Price	Number of Options	Remaining Contractual Life (Years)
March 14, 2024	$0.10	400,000	4.04
Total		400,000	
Weighted average years to expiry			4.04

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

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

	2020	
	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

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.

5. 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 period ended February 29, 2020.

Management of financial risk

The Company has classified its accounts payable and accrued liabilities as other financial liabilities. The carrying value of all financial liabilities approximates fair value due to the short-term nature of these financial instruments. 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.

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. All of the Company's financial liabilities have contractual maturities of less than 90 days.

The fair values of the Company's financial assets and liabilities 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 February 29, 2020.

6. Subsequent events

On April 27, 2020 the Company announced that it has entered into a binding letter of intent dated April 23, 2020 with Kainantu Resources Limited ("KRL") whereby the Company will acquire all of the issued and outstanding securities of KRL, which will constitute the Company's qualifying transaction pursuant to the policies of the Exchange.