Seven Oaks Capital Corp.

(A Capital Pool Company)

Unaudited condensed interim financial statements for the three-month and six-month period ended June 30, 2022 and for the three-month period ended June 30, 2021 and from the date of incorporation (February 19, 2021) to June 30, 2021

(In Canadian Dollars)

NOTICE OF NO AUDIT OR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor. The accompanying interim financial statements of Seven Oaks Capital Corp. (the "**Corporation**") have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SEVEN OAKS CAPITAL CORP.

Unaudited Condensed Interim Statement of Financial Position

(in Canadian dollars)

	June 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents	562,368	363,842
Prepaids	-	15,000
	562,368	378,842
Liabilities		
Accounts payable and accrued liabilities, note 5	13,751	73,000
Shareholders' Equity		
Share capital, Note 4	658,262	405,000
Warranty Reserve, Note 4	26,409	-
Cumulative Deficit	(136,054)	(99,158)
	548,617	305,842
	562,368	378,842

Approved by the Board “Grant McLeod” Director **(Signed)** “Dexter John” Director **(Signed)**

The accompanying notes are an integral part of these financial statements.

SEVEN OAKS CAPITAL CORP.

Unaudited Condensed Interim Statement of Loss and Comprehensive Loss

(in Canadian dollars)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	From incorporation (February 19, 2021) to June 30, 2021
Expenses				
Professional fees	-	-	15,151	-
Stock Exchange and Transfer fees	9,234	-	16,521	-
Office	5,199	39	5,224	39
Net loss and comprehensive loss for the period	**(14,433)**	**(39)**	**(36,896)**	**(39)**
Net loss per share – basic and diluted	**(0.00)**	**(0.00)**	**(0.00)**	**(0.00)**
Weighted average shares outstanding – basic and diluted	**11,444,444**	**5,700,000**	**9,772,222**	**5,700,000**

The accompanying notes are an integral part of these financial statements.

SEVEN OAKS CAPITAL CORP.

Unaudited Condensed Interim Statement of Changes in Shareholders' Equity (Deficiency)

(in Canadian dollars)

	Number of Shares	Share Capital	Warranty Reserve	Accumulated Deficit	Shareholders' Equity
Balance, as at February 19, 2021	5,700,000	285,000	-	-	285,000
Net loss for the period	-	-	-	(39)	(39)
Balance, as at June 30, 2021	**5,700,000**	**285,000**	**-**	**(39)**	**284,961**
Balance, as at December 31, 2021	**8,100,000**	**405,000**	**-**	**(99,158)**	**305,842**
Shares issued for cash	3,500,000	350,000	-	-	350,000
Share issuance costs		(96,738)	26,409	-	(70,329)
Net loss for the period	**-**	**-**	-	(36,896)	(36,896)
Balance, as at June 30, 2022	**11,600,000**	**$658,262**	**$26,409**	**$(136,054)**	**$548,617**

The accompanying notes are an integral part of these financial statements.

SEVEN OAKS CAPITAL CORP.

Unaudited Condensed Interim Statement of Cash Flow

(in Canadian dollars)

	Three months ended June 30, 2022	**Three months ended June 30, 2021**	**Six months ended June 30, 2022**	**From incorporation (February 19, 2021) to June 30, 2021**
Cash provided by (used in)				
Operating				
Net loss for the period	(14,433)	(39)	(36,896)	(39)
Prepaids	15,000	-	15,000	-
Change in accounts payable and accrued liabilities	(54,060)	-	(59,249)	-
Cash used in operating activities	(53,493)	(39)	(81,145)	(39)
Financing				
Proceeds from issuance of shares	350,000	-	350,000	285,000
Deposit received for issuance of shares	-	10,000	-	10,000
Share issuance costs	(70,329)	-	(70,329)	-
Cash provided by financing activities	279,671	10,000	279,671	295,000
Net change in cash	(226,178)	9,961	198,526	294,961
Cash, beginning of period	336,190	285,000	363,842	-
Cash, end of period	**562,368**	**294,961**	**562,368**	**294,961**

The accompanying notes are an integral part of these financial statements.

1. INCORPORATION AND NATURE OF BUSINESS

Seven Oaks Capital Corp. (the "**Corporation**") was incorporated under the Ontario Business Corporations Act on February 19, 2021 and is a Capital Pool Company as defined in the Policy 2.4 of the TSX Venture Exchange (the "**Exchange**") Corporate Finance Manual (the "**Manual**"). The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("**QT**"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, may be dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange Policy 2.4.

The head office and the registered head office of the Corporation is located at 8 King Street East, suite 1712, Toronto, Ontario, M5C 1B5.

On August 10, 2022 the Board of Directors approved the financial statements for the three and six-month period from January 1, 2022 to June 30, 2022, and for the period of the three month period ended June 30, 2021 and the date of incorporation (February 19, 2021) to June 30, 2021. The Corporation's corporate and tax year-end is December 31.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Going concern

These financials statements were prepared on a going-concern basis of accounting, which assumes that the Corporation will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. The Corporation does not generate revenue from operations and incurred a net loss of $36,896 for the six-month period ended June 30, 2022. However, the Corporation believes that its working capital balance as at June 30, 2022 will provide the Corporation with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Corporation has no revenues, its ability to continue as a going concern may be dependent on its ability to obtain additional financing and complete a Qualifying Transaction. The financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**"), using accounting policies consistent with International Financial Reporting Standards ("**IFRS**").

Accounting policies and methods of their application followed in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual audited financial statements for the year ended December 31, 2021, which are available under the Corporation's profile on www.sedar.com.

Basis of Measurement

The financial statements are presented in Canadian dollars ("**CAD**"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("**FVPTL**"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

Cash held in trust is classified as assets at fair value and any period change in fair value is recorded in profit or loss.

Accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash held in trust is a level 1 financial instrument measured at fair value on the statement of financial position.

Income Taxes

Current income tax assets and liabilities 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 by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of operations and comprehensive income.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to be recovered or settled. Deferred tax assets are recognized to the extent that realization of such benefits is probable.

(in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Share Capital

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

Share-Based Payments

The Corporation has a stock option plan (the "**Option Plan**") which is discussed in note 5. The Corporation uses the fair value-based method of accounting for share-based payment arrangements. The fair value of each option granted to directors, officers, consultants and employees is accounted for in operations over the vesting period of the option using the Black-Scholes option pricing model at the date of grant, with the related increase to contributed surplus. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings per share calculation. All of the Corporation's outstanding stock options and warrants were anti-dilutive for the periods ended June 30, 2022.

4. SHARE CAPITAL

	Number of Shares	Share Capital
Balance, as at February 19, 2021	5,700,000	285,000
Net loss for the period	-	-
Balance, as at June 30, 2021	**5,700,000**	**285,000**
Balance, as at December 31, 2021	8,100,000	405,000
Share issuance	3,500,000	350,000
Share issuance costs	-	(96,738)
Balance, as at June 30, 2022	**11,600,000**	**$ 658,262**

4. Share Capital (continued):

Seed share issuance

As at December 31, 2021, the Corporation had issued an aggregate of 500,000 seed common shares to directors and officers of the Corporation, and an additional 7,600,000 seed common shares to other investors at a price of $.05 per share for gross proceeds of $405,000. Directors and officers of the Corporation are beneficial owners of 3,780,000 of the 7,600,000 seed common shares through 70% ownership of Integrity Enterprises Inc.

Initial public offering

On April 5, 2022, the Corporation completed its Offering pursuant to which it issued 3,500,000 common shares at $.10 per share, for aggregate proceeds of $350,000.

Stock Options

The Corporation awards stock options to directors and officers under an incentive stock option plan. The number of options that may be granted is limited to 10% of the total number of issued and outstanding common shares of the Corporation.

Stock options may be granted for a maximum term of five years from the date of the grant. They are non-transferable and are exercisable as determined by the Directors when the option is granted. Options expire within 12 months of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions.

The Option Plan was approved by the Board of Directors and adopted by the Corporation on September 22, 2021.

On July 30, 2021, 300,000 stock options were granted to three directors and one officer of the Corporation, at a price of $0.10 per share. The stock options have an expiry date of five years from the date of grant.

On November 12, 2021, 50,000 stock options were granted to a director of the Corporation, at a price of $0.10 per share. The stock options have an expiry date of five years from the date of grant.

Escrowed Shares

After completing the IPO on April 5, 2022, all issued and outstanding seed shares are held in escrow pursuant to the requirements of the Exchange to be released as to 25% thereof on completion of the Corporation's Qualifying Transaction, as defined in the policies of the Exchange, and as to 25% thereof on each of the 6^{th}, 12^{th}, 18^{th} months following the initial release, pursuant to the terms of an Escrow Agreement dated as of March 30, 2022 between the Corporation, TSX Trust Company, and the founding shareholders of the Corporation.

Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be escrowed.

(in Canadian dollars)

4. Share Capital (continued):

All common shares acquired on exercise of stock options granted to directors and officers prior to completion of a Qualifying Transaction must also be deposited and held in escrow pursuant to the requirements of the Exchange.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited and held in escrow.

Compensation warrants issued

The Offering was made on behalf of the Corporation by Canaccord Genuity (the Agent). Upon closing of the Offering on April 5th, 2022 the Agent received a cash commission of $35,000, a corporate finance fee of $15,000 plus reimbursement for legal and other expenses incurred in connection with the Offering.

In addition, on April 5th, 2022, the Agent received an aggregate of 350,000 compensation warrants. Each such compensation warrant entitles the holder to acquire one common share of the Corporation at an exercise price of $.10 for a period of five years. The compensation warrants were valued at $26,040 using the Black-Scholes option pricing model based on the following assumptions: expected volatility of 100.51%, expected life of five years, expected dividend yield of 0%, risk-free rate of 2.44% and a share price of $.10.

	Number of warrants issued	Weighted average exercise price	Weighted average remaining (years)
Balance, as at December 31, 2021	-	-	-
Granted - Agent	350,000	$0.10	4.75
Balance, as at June 30, 2022	**350,000**	**$0.10**	**4.75**

Pursuant to CPC Policy 2.4, options or other rights to subscribe for securities granted to the Agent in connection with the IPO may be exercised in whole or in part by the Agent before the Completion of the Qualifying Transaction, provided that no more than 50 percent of the aggregate number of Common Shares which can be acquired by the Agent on exercise of the entire option or right may be sold by the Agent before the Completion of the Qualifying Transaction.

Deductible costs of this issue included listing and filing fees, the Agent's expenses and legal fees, the Agent's corporate work fee and the Corporation's legal fees, audit fees and expenses totaling approximately $123,000, exclusive of the Agent's commission.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Corporation's accounts payable and accrued liabilities as at June 30, 2022 totaling $13,751 consisted of stock exchange fees, travel and office costs.

6. INCOME TAXES

Deferred income tax balances

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can use the benefits.

The Corporation has approximately $136,000 of non-capital losses in Canada, which, under certain circumstances, can be used to reduce the taxable income of future years. These losses will begin to expire in 2041.

7. MANAGEMENT OF CAPITAL

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange Policy 2.4.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation's activities may expose it to a variety of financial risks: fair values, credit risk, liquidity risk and market risk (including interest rate risk). The Board of Directors provides regular guidance for overall risk management.

<u>Fair values</u>

As at June 30, 2022, the Corporation's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Corporation is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Corporation does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the completion of the IPO, the Corporation's search for a Qualifying Transaction, and limit exposure to credit and market risks.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its obligations. The Corporation is exposed to credit risk through its cash balance which was held in a Canadian financial institution as at June 30, 2022. The Corporation believes its exposure to credit risk is not significant.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. None of the Corporation's financial instruments bear interest. Therefore, management believes the Corporation has no significant exposure to interest rate risk through its financial instruments as at June 30, 2022.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. The Corporation has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Corporation coordinates this planning and budgeting process with its financing activities through the capital management process described in note 7, in normal circumstances.