

## FORM 5

### QUARTERLY LISTING STATEMENT

Name of Listed Issuer: PROSPECT PARK CAPITAL CORP. (the "Issuer").

Trading Symbol: PPK

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

SEE ATTACHED

#### **SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

## **1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

SEE NOTE 7 TO THE FINANCIAL STATEMENTS ATTACHED AS SCHEDULE A

## **2. Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
11/27/2020	EXERCISE OF WARRANTS	COMMON SHARES	300,000	\$0.0766	22,980	CASH	Not related	n/a
12/03/2020	EXERCISE OF WARRANTS	COMMON SHARES	750,000	\$0.0766	57,450	CASH	Not related	n/a
12/07/2020	EXERCISE OF WARRANTS	COMMON SHARES	780,000	\$0.0766	59,748	CASH	Not related	n/a
12/16/2020	EXERCISE OF WARRANTS	COMMON SHARES	450,000	\$0.0766	34,470	CASH	Not related	n/a
01/19/2021	PRIVATE PLACEMENT	COMMON SHARES	14,264,463	\$0.07	998,512	CASH	1,995,000 common shares were to directors of the Company	90,305
01/19/2021	PRIVATE PLACEMENT	BROKER WARRANTS	899,244	\$0.07	61,372	SERVICES	22,485 of the converted debt was to directors of the Company	n/a
01/19/2021	DEBT CONVERSION	COMMON SHARES	1,580,139	\$0.07	110,611	CASH	Not related	n/a

(b) summary of options granted during the period, - NOT OPTIONS WERE GRANTED DURING THE PERIOD

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

**3. Summary of securities as at the end of the reporting period.**

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions, - UNLIMITED NUMBER OF COMMON SHARES
- (b) number and recorded value for shares issued and outstanding, - 32,347,072 SHARES ISSUED AND OUTSTANDING WITH A VALUE OF \$2,644,808
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

**Warrants issued and outstanding as of June 30, 2021:**

<b>Issue Date</b>	<b>Expiry Date</b>	<b>Number of Warrants Outstanding</b>	<b>Exercise Price (\$)</b>
July 14, 2020	July 14, 2022	6,051,000	0.0767
July 14, 2020	July 14, 2022	666,480	0.0375
January 19, 2021	January 19, 2023	899,244	0.0700
January 19, 2021	January 19, 2023	1,580,139	0.0930

The following table reflects the actual stock options issued and outstanding as of June 30, 2021:

<b>Expiry Date</b>	<b>Exercise Price (\$)</b>	<b>Remaining Contractual Life (years)</b>	<b>Number of Options Outstanding</b>	<b>Number of Options Vested (exercisable)</b>	<b>Number of Options Unvested</b>
March 28, 2023	0.33	1.74	95,088	95,088	-

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer. - NONE

**4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Jim Greig – CEO, Director, Toby Pierce – Director, Anthony Zelen - Director

## SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

SEE ATTACHED

### Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated AUGUST 30, 2021\_\_\_\_\_.

KYLE APPLEBY\_\_\_\_\_  
Name of Director or Senior Officer

*"Kyle Appleby"*\_\_\_\_\_  
Signature

CFO\_\_\_\_\_  
Official Capacity

<b>Issuer Details</b>		For Quarter	Date of Report
Name of Issuer		Ended June 30,	YY/MM/D
Prospect Park Capital Corp.		2021	21/08/30
Issuer Address			
Suite 600, 100 King Street West			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Toronto, Ontario, M5X 1E2		( )	( )
Contact Name		Contact Position	Contact Telephone No.
Kyle Appleby		CFO	
Contact Email Address		Web Site Address	
kappleby@cfoadvantage.ca			

Unaudited Condensed Interim Financial Statements  
(In Canadian dollars)

**PROSPECT PARK CAPITAL CORP.**

THREE AND NINE MONTHS ENDED JUNE 30, 2021

# PROSPECT PARK CAPITAL CORP.

(In Canadian dollars)

Unaudited Condensed Interim Statements of Financial Position

As at June 30, 2021 and September 30, 2020

	June 30, 2021 (Unaudited)	September 30, 2020 (Audited)
<b>Assets</b>		
Current assets:		
Cash	\$ 559,125	\$ 16,116
Cash in trust (note 2)	256,623	217,649
Interest receivable	4,398	-
	820,146	-
Convertible debentures (note 3)	300,000	-
	\$ 1,120,146	\$ 233,765
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 20,114	\$ 48,993
Loans payable (note 4)	-	100,010
	20,114	149,003
Shareholders' equity:		
Share capital (note 5)	2,644,808	1,470,867
Reserves (note 5)	548,617	528,940
Deficit	(2,093,393)	(1,915,045)
	1,100,032	84,762
	\$ 1,120,146	\$ 233,765

Nature of Operations and Going Concern (note 1)

Subsequent Events (note 13)

See accompanying notes to condensed interim financial statements.



# PROSPECT PARK CAPITAL CORP.

(In Canadian dollars)

Unaudited Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	2021	2020
Expenses:				
Operating, general and administrative (note 12)	\$ 34,513	\$ 17,809	\$ 180,745	\$ 71,724
Interest expense	(1,024)	3,075	2,001	5,575
	33,488	20,884	182,745	77,299
Other income:				
Interest income	4,398	-	4,398	-
Gain on settlement of debt (note 8)	-	-	-	145,363
Net income (loss) and comprehensive income (loss)	\$ (29,090)	\$ (20,884)	\$ (178,347)	\$ 68,065
Income (loss) per common share – basic and diluted (note 9)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ 0.03
Weighted average number of shares outstanding - basic and diluted (note 9)	32,347,072	5,891,469	25,352,564	5,891,469

See accompanying notes to condensed interim financial statements.

## PROSPECT PARK CAPITAL CORP.

(In Canadian dollars)

Unaudited Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)

For the nine months ended June 30, 2021 and June 30, 2020

		Reserves		
	Share capital	Contributed surplus	Deficit	Total
Balance, September 30, 2019	\$ 1,363,419	\$ 364,228	\$ (1,969,185)	\$ (241,538)
Net income for the period	-	-	68,065	68,065
Balance, June 30, 2020	\$ 1,363,419	\$ 364,228	\$ (1,901,120)	\$ (173,473)
Balance, September 30, 2020	\$ 1,470,867	\$ 528,940	\$ (1,915,045)	\$ 84,762
Shares issued on private placement (note 5)	998,512	-	-	998,512
Share issue costs (note 5)	(151,677)	61,372	-	(90,305)
Shares issued on exercise of warrants (note 5)	216,495	(41,695)	-	174,800
Shares issued on settlement of debt (note 5)	110,611	-	-	110,611
Net loss for the period	-	-	(178,347)	(178,347)
Balance, June 30, 2021	\$ 2,644,808	\$ 548,617	\$ (2,093,392)	\$ 1,100,034

See accompanying notes to condensed interim financial statements.

# PROSPECT PARK CAPITAL CORP.

(In Canadian dollars)

Unaudited Condensed Interim Statements of Cash Flows

For the nine months ended June 30, 2021 and June 30, 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Net income (loss)	\$ (178,347)	\$ 68,065
Change in non-cash operating items:		
Gain on settlement of debt	-	(145,363)
Change in non-cash working capital:		
Interest receivable	(4,397)	-
Accounts payable and accrued liabilities	(18,280)	(18,444)
Net cash used in operating activities	(201,024)	(95,742)
Investing activities:		
Purchase of debentures	(300,000)	-
Net cash provided by financing activities	(300,000)	-
Financing activities:		
Loan proceeds	-	100,010
Proceeds from issuance of common shares (net of share issue costs) (note 5)	908,207	-
Exercise of warrants (note 5)	174,800	-
Net cash provided by financing activities	1,083,007	100,010
Increase in cash	581,983	6,846
Cash and cash in trust, beginning of period	233,765	7,491
Cash and cash in trust, end of period	\$ 815,748	\$ 14,337

See accompanying notes to condensed interim financial statements.

## PROSPECT PARK CAPITAL CORP.

(In Canadian Dollars)

Notes to the Unaudited Condensed Interim Financial Statements  
June 30, 2021

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### 1. Nature of Operations and Going Concern

Prospect Park Capital Corp. (the “Corporation” or “Prospect Park”) was incorporated under the *Business Corporations Act* (Ontario) on September 7, 2012. The registered office of the Corporation is located at Suite 600, 100 King Street West, Toronto, Ontario, M5X 1E2.

On July 13, 2021 the Corporation received approval to list its common shares (the “Common Shares”) on the Canadian Securities Exchange, and voluntarily delisted its Common Shares from the TSX Venture Exchange.

The current market conditions and volatility increase the uncertainty of the Corporation’s ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Corporation will continue to search for new or alternate sources of financing in order to purchase new investments but anticipates that the current market conditions may impact the ability to source such funds. These material uncertainties cast significant doubt on the Corporation's ability to continue as a going concern.

There can be no assurance that the Corporation will be able to continue to raise funds in which case the Corporation may be unable to meet its obligations. Should the Corporation be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

On October 2, 2020 the Corporation amended its statement of investment policies and procedures to change the focus of the Corporation from healthcare investments to investments in the resource sector.

On February 3, 2021, the Corporation completed a split of its common shares, on the basis of three (3) post-split common shares for each one (1) pre-split common share. As a result, all outstanding common shares and stock option information presented in these condensed interim financial statements has been retroactively adjusted on this basis.

### 2. Significant Accounting Policies

#### *Statement of compliance and basis of presentation*

These interim financial statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, issued by the International Accounting Standards Board using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

The condensed interim financial statements have been prepared on historical cost basis except for some financial instruments that have been measured at fair value, as explained in the accounting policies set out below.

These condensed interim financial statements were authorized by the Board of Directors of the Corporation on August 24, 2021.

## PROSPECT PARK CAPITAL CORP.

(In Canadian Dollars)

Notes to the Unaudited Condensed Interim Financial Statements  
June 30, 2021

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### 2. Significant Accounting Policies (continued)

The same accounting policies and methods of computation were followed in the preparation of these interim financial statements as were followed in the preparation and described in Note 2 of the annual financial statements as at and for the year ended September 30, 2020. Accordingly, these interim financial statements for the three and nine months ended June 30, 2021 and June 30, 2020 should be read together with the annual financial statements as at and for the year ended September 30, 2020.

#### *Recent Accounting Pronouncements*

##### IAS 1, Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively. The Corporation is currently evaluating the impact of these amendments on its financial statements and will apply the amendments from the effective date.

### 3. Convertible debentures

In April 2021, Diitalk Communications Inc. (“Diitalk”) issued a \$150,000 principal amount convertible debenture to the Corporation that bears interest at a rate of 10.0% per annum payable semi-annually that matures on April 12, 2023. At the option of the Corporation the principal amount and accrued and unpaid interest under the debenture is convertible into common shares of Diitalk at \$0.02 per share.

In May 2021, 1289580 B.C. Ltd. o/a GetTheSupport (“GetTheSupport”) issued a \$150,000 principal amount convertible debenture to the Corporation that bears interest at a rate of 10.0% per annum payable semi-annually that matures on May 10, 2023. At the option of the Corporation the principal amount and accrued and unpaid interest under the debenture is convertible into common shares of GetTheSupport at \$0.10 per share.

### 4. Loans Payable

On January 22, 2020, the Corporation issued unsecured promissory notes (the “Notes”) for an aggregate principal amount of \$100,010. The Notes have a term of 12 months and bear interest at a rate of 12% per annum payable on maturity.

The Notes and accrued interest were settled on January 19, 2021 through the issuance of Units (see note 5(iv)).

See note 7 for related party transactions.

## PROSPECT PARK CAPITAL CORP.

(In Canadian Dollars)

Notes to the Unaudited Condensed Interim Financial Statements  
June 30, 2021

### 5. Share Capital

#### (a) Authorized:

The Corporation has authorized share capital of an unlimited number of common shares.

#### (b) Issued common shares:

	Number of Shares		Amount
<b>Balance, September 30, 2019</b>	<b>5,891,470</b>	<b>\$</b>	<b>1,363,419</b>
Common shares issued on private placement (i)	8,331,000		312,412
Valuation of warrants issued (i)	-		(152,351)
Share issue costs – cash (i)	-		(40,252)
Valuation of broker warrants issued (i)	-		(12,361)
<b>Balance, September 30, 2020</b>	<b>14,222,470</b>	<b>\$</b>	<b>1,470,867</b>
Common shares issued on exercise of warrants (ii)	2,280,000		174,800
Value of warrants exercised	-		41,695
Common shares issued on private placement (iii)	14,264,463		998,512
Shares issue costs – cash (iii)	-		(90,305)
Valuation of broker warrants issued (iii)	-		(61,372)
Settlement of debt (iv)	1,580,139		110,611
<b>Balance, June 30, 2021</b>	<b>32,347,072</b>	<b>\$</b>	<b>2,644,808</b>

(i) On July 14, 2020, the Corporation closed a non-brokered private placement for gross proceeds of \$312,412 through the issuance of 8,331,000 units (a “Unit” or “Units”) of the Corporation at \$0.0375 per Unit (the “Offering”). Each Unit consisted of (i) one common share in the capital of the Corporation (a “Common Share” or “Common Shares”), and (ii) one share purchase warrant (a “Warrant”). Each Warrant entitles the holder thereof to acquire one additional Common Share of the Corporation at a price of \$0.0767 per share until the date that is twenty-four (24) months from the date of issuance. The Warrants were valued at \$152,351 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 317%; Interest rate – 0.28%.

In connection with the Offering, the Corporation paid registered dealers finders fees consisting of a cash commission equal to 8% of the aggregate subscription price of the Common Shares sold in the amount of \$24,993 and issued 666,480 non-transferable common share purchase warrants (a “Broker Warrant”) equal to 8% of the aggregate number of Units sold pursuant to the Offering. Each Broker Warrant entitles the holder to acquire one Common Share of the Corporation at a price of \$0.0375 per share for a period of twenty-four (24) months from the date of issuance.

(ii) In December 2020, 2,280,000 warrants to purchase common shares of the Corporation were exercised at a price of \$0.767 per common share, resulting in proceeds to the Corporation of \$174,800.

## PROSPECT PARK CAPITAL CORP.

(In Canadian Dollars)

Notes to the Unaudited Condensed Interim Financial Statements  
June 30, 2021

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### 5. Share Capital (continued)

(iii) On January 19, 2021, the Corporation closed a non-brokered private placement for gross proceeds of \$998,512 through the issuance of 14,264,463 common shares of the Corporation at \$0.07 per share (the “January Offering”).

In connection with the January Offering, the Corporation paid registered dealers finders fees consisting of a cash commission in the amount of \$62,947 and issued 899,244 non-transferable common share purchase warrants (a “Broker Warrant”). Each Broker Warrant entitles the holder to acquire one common share of the Corporation at a price of \$0.07 per share for a period of twenty-four months from the date of issuance. The Warrants were valued at \$61,372 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 317%; Interest rate – 0.28%.

(iv) On January 19, 2021, the Corporation closed a securities for debt settlement transaction with seven lenders, pursuant to which it issued an aggregate of 1,580,139 units (a “Unit” or “Units”) of the Corporation at a deemed price of \$0.07 per Unit in satisfaction of \$110,611 of debt (including accrued interest) pursuant to the Notes issued in January 2020. Each Unit consists of one (1) common share in the capital of the Corporation (a “Common Share” or “Common Shares”) and one (1) share purchase warrant (a “Warrant”). Each Warrant entitles the holder thereof to acquire one additional Common Share of the Corporation at a price of \$0.093 per share for twenty-four (24) months from closing. Two of the lenders are current directors of the Corporation but they acquired the Notes (for an aggregate principal amount of \$20,000) prior to becoming directors of the Corporation.

#### (c) Warrants issued and outstanding as of June 30, 2021:

Issue Date	Expiry Date	Number of Warrants Outstanding	Exercise Price (\$)
July 14, 2020	July 14, 2022	6,051,000	0.0767
July 14, 2020	July 14, 2022	666,480	0.0375
January 19, 2021	January 19, 2023	899,244	0.0700
January 19, 2021	January 19, 2023	1,580,139	0.0930

### 6. Stock Options

On June 6, 2016, shareholders of the Corporation approved an amended and restated stock option plan (the “2016 Rolling Option Plan”), and on July 20, 2016, the board of directors of the Corporation adopted a new 20% fixed number stock option plan (the “2016 Fixed Option Plan”), for the Corporation reserving 1,735,252 (20% of the issued and outstanding Common Shares on such date) Common Shares for issuance. The 2016 Fixed Option Plan and the 998,061 stock options (the “2016 Grants”) granted under the 2016 Fixed Option Plan were subject to shareholder approval at a subsequent shareholders’ meeting. Pursuant to section 3.9(f) of Policy 4.4 – Incentive Stock Options (“Policy 4.4”) of the TSX Venture Exchange, the 2016 Grants were terminated and the Corporation reverted back to the 2016 Rolling Option Plan, as the 2016 Fixed Option Plan and 2016 Grants were not approved by shareholders within 12 months.

## PROSPECT PARK CAPITAL CORP.

(In Canadian Dollars)

Notes to the Unaudited Condensed Interim Financial Statements  
June 30, 2021

### 6. Stock Options (continued)

The following table reflects the actual stock options issued and outstanding as of June 30, 2021:

<b>Expiry Date</b>	<b>Exercise Price (\$)</b>	<b>Remaining Contractual Life (years)</b>	<b>Number of Options Outstanding</b>	<b>Number of Options Vested (exercisable)</b>	<b>Number of Options Unvested</b>
March 28, 2023	0.33	1.74	95,088	95,088	-

On January 22, 2021, 263,847 stock options issued to former officers and directors expired unexercised.

The options outstanding have a weighted average remaining contractual life of 1.74 years and a weighted average exercise price of \$0.33.

### 7. Related Party Transactions

Related parties include officers and directors of the Corporation, close family members, enterprises and others that the Corporation does not deal with at arm's length. The below noted transactions are in the normal course of business.

(i) During the nine months ended June 30, 2021, the Corporation was charged \$7,260 (nine months ended June 30, 2020 - \$4,520) in accounting services by CFO Advantage Inc., a company owned by Kyle Appleby, the Chief Financial Officer of the Corporation. In January 2020, the Corporation entered into an agreement to settle \$95,740 of debt with CFO Advantage Inc. in exchange for \$45,000. As at June 30, 2021, \$8,585 (September 30, 2020 - \$1,325) is included in accounts payable and accrued liabilities for outstanding fees.

(ii) During the nine months ended June 30, 2021, the Corporation was billed \$119,784 (nine months ended June 30, 2020 - \$32,333) by DLA Piper (Canada) LLP for legal expenses (including costs/disbursement paid by DLA Piper (Canada) LLP). Robbie Grossman is a partner of DLA Piper (Canada) LLP and an officer and director of the Corporation. Included in the June 30, 2021 accounts payable and accrued liabilities is \$nil (September 30, 2020 - \$21,535) due to DLA Piper (Canada) LLP for legal expenses and disbursements.

(iii) During the nine months ended June 30, 2021, the Corporation was charged \$12,150 (nine months ended June 30, 2020 - \$Nil) in consulting fees by two directors of the Corporation (James Greig and Toby Pierce).

(iv) Two of the lenders of the Notes (James Greig and Toby Pierce) are current directors of the Corporation but they acquired the Notes (for an aggregate principal amount of \$20,000) prior to becoming directors of the Corporation. They were directors of the Corporation on January 19, 2021 at the time of the securities for debt transaction.

(v) James Greig and Toby Pierce, directors of the Corporation, each subscribed for 900,000 Units under the Offering (note 4(i)).



## **PROSPECT PARK CAPITAL CORP.**

(In Canadian Dollars)

Notes to the Unaudited Condensed Interim Financial Statements  
June 30, 2021

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### **7. Related Party Transactions**

(v) Three directors of the Corporation, subscribed for shares in the January Offering (note 4(iii)) ((James Greig – 720,000 shares, Toby Pierce – 1,050,000 shares, and Robbie Grossman – 225,000 shares).

### **8. Settlement of Debt**

During the nine months ended March 31, 2020, the Corporation entered into debt settlement agreements with certain creditors to settle debt with a carrying value of \$216,023 in exchange for \$70,660, resulting in a gain on settlement of debt of \$145,363. \$95,740 of this was settled with a related party for \$45,000 (note 7(i)).

### **9. Net Income (Loss) per Common Share**

Diluted income (loss) per share for the periods ended June, 2021 and 2020 did not include the effect of options or warrants as they are anti-dilutive.

### **10. Capital Management**

The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

The Corporation does not have any externally imposed capital requirements to which it is subject.

### **11. Financial Instruments and Risk Management**

#### Fair Values

The Corporation's financial instruments consist of cash, cash in trust and accounts payable and accrued liabilities. The fair values of these instruments approximate their carrying values due to the short-term nature 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 objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Corporation's search for interest in a business or assets to acquire, and limited exposure to credit and market risks.

## PROSPECT PARK CAPITAL CORP.

(In Canadian Dollars)

Notes to the Unaudited Condensed Interim Financial Statements  
June 30, 2021

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### 11. Financial Instruments and Risk Management (continued)

The types of risk exposure and the way in which such exposures are managed are as follows:

(a) Credit Risk:

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash in trust. Cash is held with a major Canadian chartered bank and cash in trust is held by the Corporation's lawyers, from which management believes the risk of loss to be minimal.

(b) Interest Rate Risk:

The Corporation is not exposed to any significant interest rate risk.

(c) Liquidity Risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash and cash in trust. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(d) Currency Risk:

Currency risk is the risk that fluctuations in the rates of exchange on foreign currency would impact the Corporation's cash flows. The Corporation's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk. The Corporation does not hold material balances in foreign currencies to give rise to exposure to foreign exchange risk.

### 12. Operating, general and administrative Expenses

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	2021	2020
Legal fees and disbursements	\$ 14,387	\$ 7,016	\$ 94,521	\$ 32,333
Accounting and audit	4,260	3,129	13,788	10,834
Regulatory fees	12,091	848	24,524	12,857
Transfer agent	588	1,642	8,626	10,230
Consulting	-	-	27,900	-
Office and general	3,187	5,174	11,386	5,470
	<u>\$ 34,513</u>	<u>\$ 17,809</u>	<u>\$ 180,745</u>	<u>\$ 71,724</u>

## **PROSPECT PARK CAPITAL CORP.**

(In Canadian Dollars)

Notes to the Unaudited Condensed Interim Financial Statements

June 30, 2021

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### **13. Subsequent Events**

The Corporation received approval to list its common shares (the "Common Shares") on the Canadian Securities Exchange, and will be voluntarily delisting its Common Shares from the TSX Venture Exchange.

### **14. Covid-19**

On January 30 2020, the World Health Organization declared the coronavirus outbreak ("COVID-19") a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact they will have on the Corporation's financial position and results of operations for future periods.

## PROSPECT PARK CAPITAL CORP.

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2021

#### INTRODUCTION

This Management's Discussion and Analysis ("**MD&A**") is dated August 24, 2021, unless otherwise indicated and should be read in conjunction with the unaudited condensed interim financial statements of Prospect Park Capital Corp. (the "**Company**") for the three and nine months ended June 30, 2021 and the audited financial statements for the year ended September 30, 2020, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the three and nine months ended June 30, 2021 are not necessarily indicative of the results that may be expected for any future period.

The Company applies International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the IFRS Interpretations Committee ("**IFRIC**").

Further information about the Company and its operations can be obtained from the offices of the Company or from [www.sedar.com](http://www.sedar.com).

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## DESCRIPTION OF BUSINESS

The Company was incorporated under the *Business Corporations Act* (Ontario) on September 7, 2012 and is a public investment corporation listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the symbol PPK. On July 13, 2021 the Company received approval to list its common shares (the “Common Shares”) on the Canadian Securities Exchange (“CSE”) (under the same symbol), and voluntarily delisted its Common Shares from the TSX Venture Exchange (“TSXV”).

On February 3, 2021, the Company completed a split of its common shares, on the basis of three post-split common shares for each one pre-split common share. As a result, all outstanding common shares and stock option information presented in the MD&A has been retroactively adjusted on this basis.

As at the date of this MD&A, the Company has two investments:

### **Diitalk Communications Inc. (“Diitalk”)**

\$150,000 principal amount convertible debenture issued by Diitalk to the Company that bears interest at a rate of 10.0% per annum payable semi-annually that matures on April 12, 2023. At the option of the Company the principal amount and accrued and unpaid interest under the debenture is convertible into common shares of Diitalk at \$0.02 per share.

### **1289580 B.C. Ltd. o/a GetTheSupport (“GetTheSupport”)**

\$150,000 principal amount convertible debenture issued by GetTheSupport to the Company that bears interest at a rate of 10.0% per annum payable semi-annually that matures on May 10, 2023. At the option of the Company the principal amount and accrued and unpaid interest under the debenture is convertible into common shares of GetTheSupport at \$0.10 per share.

## DISCUSSION OF OPERATIONS

As at June 30, 2021, the Company had assets of \$1,120,146 compared to \$233,765 at September 30, 2020. The increase in cash was due to the closing of a non-brokered private placement on January 19, 2021, wherein the Company raised gross proceeds of \$998,512 through the issuance of 14,264,463 common shares of the Company at \$0.07 per share (the “**Offering**”). \$300,000 of the proceeds were used to purchase the Diitalk and GetTheSupport convertible debentures.

Liabilities (all current) of \$20,114 (September 30, 2020 - \$149,003), consisted of accounts payable and accrued liabilities of \$20,114 (September 30, 2020 - \$ 48,993), and \$nil (September 30, 2020 - \$100,010) of unsecured promissory notes issued in January 2020 to seven lenders (the “**Notes**”). On January 19, 2021, the Company closed a securities for debt transaction with the lenders, pursuant to which it issued an aggregate of 1,580,139 units of the Company at a deemed price of \$0.07 per unit in satisfaction of \$110,610 in full and final satisfaction of the Notes (including accrued interest). Each unit consisted of one common share of the Company and one warrant with each warrant exercisable for one common share of the Company at \$0.093 per share for twenty-four months from closing. Two of the lenders are current directors of the Company but they acquired the Notes (for an aggregate principal amount of \$20,000) prior to becoming directors of the Company.

During the period, 2,280,000 common shares of the Company were issued on the exercise of 2,280,000 warrants for proceeds of \$174,800.

For the three and nine months ended June 30, 2021, the Company had a net loss of \$29,090 and \$178,347, compared to net loss of \$20,884 and a net income \$68,065 for the three and nine months ended June 30 2021 (with basic and diluted loss per share of \$0.00 and \$0.01 for the three and nine months ended June 30, 2020, compared to a basic and diluted (loss) income per share of \$(0.01) and \$0.03 for the three and nine months ended June 30, 2020).

The following is a summary of operations for the three and nine months ended June 30, 2021 and June 30, 2020:

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	2021	2020
<b>Expenses:</b>				
Operating, general and administrative	\$ 34,513	\$ 17,809	\$ 180,745	\$ 71,724
Interest expense	(1,024)	3,075	2,001	5,575
	33,488	20,884	182,745	77,299
<b>Other income:</b>				
Interest income (on the Diitalk and GetTheSupport Convertible debentures)	4,398	-	4,398	-
Gain on settlement of debt	-	-	-	145,363
<b>Net income (loss) and comprehensive income (loss)</b>	<b>\$ (29,090)</b>	<b>\$ (20,884)</b>	<b>\$ (178,347)</b>	<b>\$ 68,065</b>

The breakdown of operating, general and administrative expenses are as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	2021	2020
Legal fees and disbursements (i)	\$ 14,387	\$ 7,016	\$ 94,521	\$ 32,333
Accounting and audit	4,260	3,129	13,788	10,834
Regulatory fees (ii)	12,091	848	24,524	12,857
Transfer agent	588	1,642	8,626	10,230
Consulting (iii)	-	-	27,900	-
Office and general	3,187	5,174	11,386	5,470
	\$ 34,513	\$ 17,809	\$ 180,745	\$ 71,724

(i) Increase in legal due to work related to the listing on the CSE, and the convertible debenture purchases.

(ii) Increase due to various corporate actions on the TSXV, and the listing on the CSE.

(iii) Consulting fees related to business development. Includes \$12,150 of consulting fees charged by directors (see related party transactions).

## SELECTED QUARTERLY INFORMATION

A summary of selected financial information for the previous eight quarters is presented below:

Three Months Ended	Net Revenues (\$)	Net Income (Loss)	
		Total (\$)	Basic and Diluted Income (Loss) Per Share <sup>(1)</sup> (\$)
June 30, 2021	-	(29,090)	(0.00)
March 31, 2021	-	(125,494)	(0.00)
December 31, 2020	-	(23,763)	(0.00)
September 30, 2020	-	(13,925)	(0.00)
June 30, 2020	-	(20,884)	(0.00)
March 31, 2020	-	94,230	0.02
December 31, 2019	-	(5,281)	(0.00)
September 30, 2019	-	(133,769)	(0.01)

(1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

## LIQUIDITY AND CASH FLOW

At June 30, 2021, the Company had cash and cash in trust of \$815,748 (September 30, 2020 - \$233,765), and working capital of \$800,032 (September 30, 2020 - \$84,762).

During the three and nine months ended June 30, 2021, the Company had an increase in cash and cash in trust of \$581,983 (2020 - decrease of \$6,846). Cash used in operating activities was \$201,024 compared to \$95,742 in 2020. The increase is the result of corporate restructuring expenses.

Net cash used in investing activities was \$300,000 for the purchase of the Diitalk and GetTheSupport convertible debentures.

During the three and nine months ended June 30, 2021, the Company received \$174,800 from the exercise of warrants, and net proceeds of \$908,208 from the Offering.

## CAPITAL RESOURCES

The Company relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest income from investments, capital raising activities such as private placement debt and equity financings, and corporate borrowings from the Company's bank and brokers.

Management recognizes the need for improved cash flow and liquidity for future operations and growth. Management closely monitors the Company's current cash position and the short-term and long-term cash requirements. The Company may be required to obtain additional funding to take advantage of the market opportunities. If additional funding is required, an issuance of common shares or debt will most likely be a component of the funding.

The Company's operations currently generate negative cash flow and may depend on equity sales or other means of financing to assist in financing its operations, cover administrative costs and finance growth. The ability of the Company to continue operations is dependent upon obtaining additional financing. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to small cap companies, in addition to the results of the Company's operation. There can be no guarantee that the Company will be able to secure any required financing.

## **OFF-BALANCE SHEET ARRANGEMENTS**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

## **RELATED PARTY TRANSACTIONS**

Related parties include officers and directors of the Company, close family members, enterprises and others that the Company does not deal with at arm's length. The below noted transactions are in the normal course of business.

(i) During the nine months ended June 30, 2021, the Company was charged \$7,260 (nine months ended June 30, 2020 - \$4,520) in accounting services by CFO Advantage Inc., a company owned by Kyle Appleby, the Chief Financial Officer of the Company. In January 2020, the Company entered into an agreement to settle \$95,740 of debt with CFO Advantage Inc. in exchange for \$45,000. As at June 30, 2021, \$8,585 (September 30, 2020 - \$1,325) is included in accounts payable and accrued liabilities for outstanding fees.

(ii) During the nine months ended June 30, 2021, the Company was billed \$119,784 (nine months ended June 30, 2020 - \$32,333) by DLA Piper (Canada) LLP for legal expenses (including costs/disbursements of the Company paid by DLA Piper (Canada) LLP). Robbie Grossman is a partner of DLA Piper (Canada) LLP and an officer and director (resigned subsequent to June 30, 2021) of the Company. Included in the June 30, 2021 accounts payable and accrued liabilities is \$nil (September 30, 2020 - \$21,535) due to DLA Piper (Canada) LLP for legal expenses and disbursements.

(iii) During the nine months ended June 30, 2021, the Company was charged \$12,150 (nine months ended June 30, 2020 - \$Nil) in consulting fees by two directors of the Company (James Greig and Toby Pierce).

(iv) Two of the lenders of the Notes (James Greig and Toby Pierce) are current directors of the Company but they acquired the Notes (for an aggregate principal amount of \$20,000) prior to becoming directors of the Company. They were directors of the Company on January 19, 2021 at the time of the securities for debt transaction.

(v) Three directors subscribed for shares in the Offering (James Greig – 720,000 shares, Toby Pierce – 1,050,000 shares, and Robbie Grossman – 225,000 shares).

## **RISK FACTORS**

An investment in the Company and the common shares should be considered highly speculative and investors should carefully consider all of the information disclosed in this MD&A prior to making an investment. In addition to the other information presented in this MD&A, the following risk factors should be given special consideration when evaluating an investment in the Company or the common shares.

The value of the shares of the Company will fluctuate based on the value of the Company's investment portfolio and general market conditions. There can be no assurance that shareholders will realize any gains from their investment in the Company and may lose their entire investment.

There is no assurance that the investment objectives of the Company will actually be achieved. The value of the shares of the Company will increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Company's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.



Please refer to the section entitled "Risk Factors " in the Company's annual management's discussion & analysis for the fiscal year ended September 30, 2020, available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **RECENT ACCOUNTING PRONOUNCEMENTS**

### **IAS 1, Presentation of Financial Statements**

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively. The Company is currently evaluating the impact of these amendments on its financial statements and will apply the amendments from the effective date.

### **Financial Instruments**

(a) Credit Risk:

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

(b) Interest Rate Risk:

The Company is not exposed to any significant interest rate risk.

(c) Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(d) Capital Management:

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

(e) Currency Risk:

The Company's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk. The Company does not hold material balances in foreign currencies to give rise to exposure to foreign exchange risk.

## **SHARE CAPITAL**

As of the date of this MD&A, the Company had 32,347,072 issued and outstanding common shares. In addition, the Company had common share purchase warrants outstanding exercisable for 9,196,863 common shares, and incentive stock options outstanding exercisable for 95,088 common shares. Therefore, the Company had 41,639,023 common shares on a fully diluted basis.