GENCAN CAPITAL INC.

Condensed Interim Financial Statements

Three Months Ended December 31, 2019 and 2018

(Unaudited)

(Expressed in Canadian Dollars)

Notice of no auditor review

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 financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of 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 condensed interim financial statements (in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor).

Gencan Capital Inc.
Condensed Interim Statements of Financial Position
As at December 31, 2019 and September 30, 2019
(Unaudited)

	December 31 2019	September 30 2019
Assets		
Current assets		
Cash and cash equivalents	$ 534,269	$ 556,560
Accounts receivable	1,371	3,524
Prepaid expenses and deposits	5,022	517
Income taxes recoverable	44,930	38,093
Total assets	$ 585,592	$ 598,694
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 24,250	$ 18,390
Shareholders' Equity		
Capital stock	10	10
Retained earnings	561,332	580,294
Total shareholders' equity	561,342	580,304
Total liabilities and shareholders' equity	$ 585,592	$ 598,694

See accompanying notes to the condensed interim financial statements

Gencan Capital Inc.

Condensed Interim Statements of Loss and Comprehensive Loss
For the three months ended December 31, 2019 and 2018
(Unaudited)

	2019	2018
Revenue		
Interest income	$ 1,759	$ 1,585
Expenses		
Administrative and general	27,558	28,190
Loss before income taxes	(25,799)	(26,605)
Income taxes recovery		
Current	(6,837)	(7,050)
Loss for the period, also being comprehensive loss	$ (18,962)	$ (19,555)
Loss per share		
Basic and diluted	$ (0.00)	$ (0.00)
Weighted average number of common shares		
Basic and diluted	16,092,284	16,092,284

See accompanying notes to the condensed interim financial statements

Gencan Capital Inc.

Condensed Interim Statements of Changes in Equity
For the three months ended December 31, 2019 and 2018
(Unaudited)

	Capital Stock			
	Common shares			
	Number of shares	Amount	Retained Earnings	Total Equity
Balance at September 30, 2018	16,092,284	$ 10	$ 685,695	$ 685,705
Net Loss	-	-	(19,555)	(19,555)
Balance at December 31, 2018	16,092,284	$ 10	$ 666,140	$ 666,150
Balance at September 30, 2019	16,092,284	$ 10	$ 580,294	$ 580,304
Net loss	-	-	(18,962)	(18,962)
Balance at December 31, 2019	16,092,284	$ 10	$ 561,332	$ 561,342

See accompanying notes to the condensed interim financial statements

Gencan Capital Inc.
Condensed Interim Statements of Cash Flows
For the three months ended December 31, 2019 and 2018
(Unaudited)

	2019	2018
Operating activities		
Net loss	$ (18,962)	$ (19,555)
Adjustments to reconcile net loss to net cash flows:		
Current income taxes recovery	(6,837)	(7,050)
Income taxes paid	-	(179,485)
	(25,799)	(206,090)
Changes in non-cash components of working capital:		
Accounts receivable	2,153	48
Prepaid expenses and deposits	(4,505)	(6,337)
Accounts payable and accrued liabilities	5,860	(2,848)
Net cash flows from used in operating activities	(22,291)	(215,227)
Cash flows from financing activities	-	-
Cash flows from investing activities	-	-
Net decrease in cash	(22,291)	(215,227)
Cash and cash equivalents, beginning of period	556,560	894,000
Cash and cash equivalents, end of period	$ 534,269	$ 678,773

See accompanying notes to condensed interim financial statements

1. NATURE OF OPERATIONS

Nature of operations

Gencan Capital Inc. ("the Company") is a Canadian company and up until July 4, 2018 was the holder of a Solar Energy Feed-In Tariff Program Contract with an interest in solar energy generation equipment located in Ontario, Canada. The Company was incorporated on October 31, 2013 and has its registered office address at 106 Avenue Road, Toronto, Ontario, M5R 2H3.

On October 30, 2015, pursuant to a Plan of Arrangement between the Company and Genterra Capital Inc. ("GCI"), the Company was spun-off as a public company and its shares were listed on the Canadian Securities Exchange under the symbol "GCA". GCI currently retains a 78% controlling interest in the Company.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the fiscal year ended September 30, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

These condensed interim financial statements were authorized for issue by the Board of Directors on February 21, 2020.

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of the date of authorization.

(b) Basis of preparation

These condensed interim financial statements are presented in Canadian dollars. The financial statements are prepared on the historical cost basis.

These condensed interim financial statements follow the same significant accounting policies and critical judgments in the application of those policies as described in the Company's audited financial statements for the fiscal year ended September 30, 2019 and have been applied consistently in the preparation of these condensed interim financial statements.

New Accounting Standards Adopted

IFRS 16, *Leases*, introduces a new standard replacing IAS 17 Leases, that results in bringing many leases on balance sheet that are considered operating leases under IAS 17. Lessor accounting remains largely unchanged. The adoption of IFRS 16 did not have any impact to the Company.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of these condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) the recoverability of accounts receivable and prepayments totaling $6,393 (September 30, 2019: $4,041);

(ii) the provision for income taxes recovery for the period of $6,837 (2018: $7,050).

4. FAIR VALUE MEASUREMENTS AND DISCLOSURES

Fair Value Measurement

The Company does not have any financial assets or liabilities measured at fair value.

Fair Value Disclosures

Fair value represents management's estimates of the market value at a given point in time, which may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of judgement and therefore cannot be determined with precision.

The carrying values of the cash and cash equivalents, accounts receivable, income taxes recoverable, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

5. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Officers of the Company, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into transactions and had outstanding balances with various companies related by virtue of common ownership and management. These transactions were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

Significant related party transactions for the three months ended December 31, 2019 and 2018 and balances as of December 31, 2019 and September 30, 2019 not disclosed elsewhere in these condensed interim financial statements are as follows:

The Company has entered into an administrative services agreement with GCI for $6,000 per annum. Under this agreement, administrative services fees of $1,500 (2018: $1,500) were charged by and paid to GCI.

Directors fees of $12,500 (2018: $12,500) were paid to independent directors.

The Company did not directly pay any remuneration to key management (other than to independent directors as noted above) for the three months ended December 31, 2019 or 2018. Key management remuneration (other than director's fees) is included in the above management and administration fees.