

HARMONY ENERGY TECHNOLOGIES COPRORATION

Interim Condensed Financial Report (Unaudited)

Period of three months ended March 31, 2019 and 2018

(Expressed in United States dollars)

HARMONY ENERGY TECHNOLOGIES COPRORATION

FINANCIAL REPORT

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Notice to Reader

The accompanying unaudited condensed interim financial statements of HARMONY ENERGY TECHNOLOGIES CORPORATION (the "Company") for the periods of three months ended on March 31, 2019 and 2018 have been prepared by management and are its responsibility. These unaudited condensed interim financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's audit committee. These unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

HARMONY ENERGY TECHNOLOGIES CORPORATION

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2019 and 2018

(in United States dollars)

	Notes	March 31 2019	December 31 2018
		\$	\$
ASSETS			
Current assets			
Cash		17,817	1
Accounts and other receivable	6	81,302	-
Prepaid expenses	4	100,000	-
		<u>199,119</u>	<u>1</u>
Total assets		<u>199,119</u>	<u>1</u>
LIABILITIES			
Current liabilities			
Trade and accrued liabilities		29,447	-
Total liabilities		<u>29,447</u>	<u>-</u>
EQUITY (DEFICIT)			
Share capital	3,4	200,000	1
Deficit		(30,328)	-
Total equity (deficit)		<u>169,672</u>	<u>1</u>
Total liabilities and equity (deficit)		<u>199,119</u>	<u>1</u>

The accompanying notes are an integral part of the interim condensed financial statements.

HARMONY ENERGY TECHNOLOGIES CORPORATION

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

Periods of three months ended on March 31, 2019 and 2018

(in United States dollars)

	Notes	March 31 2019	March 31 2018
		\$	\$
Gain on Interest	6	(1,302)	-
Energy business expenditures	4	114	-
Administrative expenses	5	31,436	-
Financial expenses		80	-
Net Loss and other comprehensive loss		30,328	-
Basic and diluted net income per share		0.008	-
Weighted average number of common shares outstanding		3,962,079	-

The accompanying notes are an integral part of the interim condensed financial statements.

HARMONY ENERGY TECHNOLOGIES CORPORATION

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

Periods of three months ended on March 31, 2019 and 2018

(in United States dollars)

	Notes	Share Capital Number	\$	Contributed surplus \$	Deficit \$	Total \$
Balance on January 1st, 2018		-	-	-	-	-
Balance on March 31, 2018		-	-	-	-	-
Balance on January 1st, 2019		1	1	-	-	1
Shares issued for acquisition of energy business	3	3,862,078	99,999	-	-	99,999
Shares issued under private placements	3	100,000	100,000	-	-	100,000
Transactions with owners		3,962,078	199,999	-	-	199,999
Net loss		-	-	-	(30,328)	(30,328)
Balance on March 31, 2019		3,962,079	200,000	-	(30,328)	169,672

The accompanying notes are an integral part of the interim condensed financial statements.

HARMONY ENERGY TECHNOLOGIES CORPORATION

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

Periods of three months ended on March 31, 2019 and 2018

(in United States dollars)

	Notes	March 31 2019	March 31 2018
		\$	\$
OPERATING ACTIVITIES			
Net loss		(30,328)	-
Change in working capital items	7	(71,856)	-
Cash flows from operating activities		<u>(102,184)</u>	<u>-</u>
INVESTING ACTIVITIES			
Short term loan to other party	6	(80,000)	-
Acquisition of energy storage business acquisition	3	100,000	-
Cash flows from investing activities		<u>20,000</u>	<u>-</u>
FINANCING ACTIVITIES			
Proceeds from private placement	4	100,000	-
Cash flows from financing activities		<u>100,000</u>	<u>-</u>
Net change in cash		17,816	-
Cash, beginning of year		<u>1</u>	<u>-</u>
Cash, end of the period		<u><u>17,817</u></u>	<u><u>-</u></u>

The accompanying notes are an integral part of the interim condensed financial statements.

HARMONY ENERGY TECHNOLOGIES CORPORATION

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of March 31, 2019 and 2018

NOTE 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

On June 19, 2018, Harmony Energy Technologies Corporation ("Harmony" or "Company") was registered under the General Corporation Law of the State of Delaware, USA. Harmony's registered office is located at 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware, USA 19808. The Company's common shares have not listed or quoted on any market for the moment.

These unaudited interim condensed financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB"), and the IFRS Interpretations Committee (formerly "IFRIC"). They were also prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These accounting policies are based on the IFRS standards and IFRIC interpretations that are expected to be applicable at December 31, 2018 have been approved and authorized for issue by the Board of Directors on May 30, 2019 in preparation of their filing.

The policies used for preparation of these unaudited interim condensed financial statements were the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2018 and were consistently applied to all the periods presented unless otherwise noted below. They do not include all of the information and disclosures required for annual financial statements. For further information, see the Company's audited consolidated financial statements for the year ended December 31, 2018.

Functional and presentation currency

The interim condensed financial statements are presented in United States dollar.

International Financial Reporting Standards 16, Leases ("IFRS 16")

The Company adopted IFRS 16, Leases, on January 1, 2019. In accordance with the transition guidance of IFRS 16, the new requirements have been applied retroactively with the cumulative effect of initial application recognised as at January 1, 2019. The 2018 financial statements have not been restated and to apply IFRS 16 only to contracts that were previously identified as leases and to not apply IFRS 16 to contracts that were not previously identified as containing a lease. The Company does not have any contract and IFRS 16 will not impact the interim condensed financial statement.

NOTE 2. GOING CONCERN ASSUMPTION

These unaudited condensed financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined when its energy storage business generates income nor cash flows from its operations. As at March 31, 2019, the Company has a deficit of \$30,328 (nil as at December 31, 2018) and working capital of \$169,672 which will not be sufficient to support the Company's needs for cash during the coming year. The Company will require additional funding to be able to advance and retain mining rights interest and to meet ongoing requirements for general operations. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further develop the energy storage business and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the unaudited condensed financial statements and the classification used in the unaudited condensed statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

NOTE 3. SHARE CAPITAL

Share capital

The share capital of the Company consists only of fully paid common shares. The Company has been authorized to issued up to the million (10,000,000) of common shares with par value of \$0.0001 per share.

Transactions on share capital

During the three months period ended on March 31, 2019, the Company issued 3,862,078 common shares to Golden Share Resources Corporation ("Golden Share") to acquire the energy storage business of Golden Share. The acquisition was recorded at value of \$100,000 for the prepaid expense to Battelle Memorial Institute ("Battelle") for research and development related to novel vanadium based solid-state battery technologies. Battelle is run by Pacific Northwest National Laboratory ("PNNL") of the United States Department of Energy.

HARMONY ENERGY TECHNOLOGIES CORPORATION

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of March 31, 2019 and 2018

NOTE 3. SHARE CAPITAL (CONTINUE)

During the three months period ended on March 31, 2019, the Company completed a private placement for total proceed of \$100,000 and issued 100,000 units at a price of \$1.00 per unit. Each Unit consists of one Harmony Share and one common share purchase warrant ("Warrant") of Harmony. Each Warrant entitles the holder thereof to acquire one Harmony Share at a price of \$1.00 for a period of 36 months from the issuance date. The Company recorded the warrant value as nil due to no available data for calculation.

Warrants

The following table shows the changes in warrants:

	March 31 2019		March 31 2018	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding on January 1st	-	-	-	-
Issued	100,000	1.00	-	-
Outstanding and exercisable on March 31st	<u>100,000</u>	<u>1.00</u>	<u>-</u>	<u>-</u>

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

	March 31 2019		March 31 2018	
Expiration date	Weighted average exercise price	Number of warrants outstanding	Weighted average exercise price	Number of warrants outstanding
	\$		\$	
January 30, 2022	1.00	<u>100,000</u>	-	<u>-</u>
		<u>100,000</u>		<u>-</u>

NOTE 4. ENERGY STORAGE BUSINESS

On January 14, 2019, the Company issued 3,862,078 common shares to Golden Share Resources Corporation ("Golden Share"), to acquire the energy storage business of Golden Share. The acquisition was only recorded as \$100,000 for the prepaid research fee to Battelle. The Company did not estimate the fair value of other rights and agreements that continue on the energy storage business acquired from Golden Share.

Energy business development expenditures

	March 31 2019	March 31 2018
	\$	\$
Energy business development expenditures	<u>114</u>	<u>-</u>
	114	-

During the three month ended March 31, 2019, the Company spent \$114 relative to vanadium storage solution, while was charged to Golden Share in 2018.

HARMONY ENERGY TECHNOLOGIES CORPORATION

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of March 31, 2019 and 2018

NOTE 5. ADMINISTRATIVE EXPENSES BY NATURE

	March 31 2019	March 31 2018
	\$	\$
Management fees	18,000	-
Transfer agent fees	2,103	-
Regulatory fees	4,479	-
Travel, accommodation and meals	6,854	-
	<u>31,436</u>	<u>-</u>

NOTE 6. LOAN AGREEMENT

During the three months period ended March 31, 2019, the Company entered into agreements of short term unsecured loans to Golden Share up to \$200,000, and totalling released US\$80,000 to Golden Share. The unsecured loans bear interest at 1% monthly and pay back upon requested. During the three months period ended March 31, 2019, the Company accrued \$1,302 interest income for \$80,000 loan.

NOTE 7. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

	March 31 2019	March 31 2018
	\$	\$
Other receivables	(1,303)	-
Prepaid expenses	(100,000)	-
Trade and other payables	29,447	-
	<u>(71,856)</u>	<u>-</u>

During the three months period ended March 31, 2019, the Company issued 3,862,078 common shares to Golden Share Resources Corporation ("Golden Share"), to acquire the energy storage business of Golden Share, which the energy storage business include the prepaid expense of \$100,000.

NOTE 8. RELATED PARTIES

The Company considers its related parties to consist of key members or former members of its management personnel (including all officers and directors), their close family members, and companies controlled or significantly influenced by such individuals; and reporting shareholders and their affiliates which may exert significant influence over the Company's activities, as detailed below:

– Directors - There were no director fees paid during the three months period ended March 31, 2019.

NOTE 9. COMMITMENTS

Royalty for Vanadium Electrolyte License

As part of the energy storage business, the Company have a License Agreement with Battelle Memorial Institute ("Battelle") to produce, use and sell vanadium electrolytes developed by Pacific Northwest National Laboratory ("PNNL"). The Company shall pay Battelle minimum royalty on the last day of the following January for preceding calendar year. The following is a schedule of future obligations required annually:

	Cash payment US\$
2019	5,000
2020	10,000
2021 and each calendar year thereafter during the term of the agreement	20,000

HARMONY ENERGY TECHNOLOGIES CORPORATION

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of March 31, 2019 and 2018

NOTE 10. SUBSEQUENT EVENTS

On April 3, 2019, the Company received the \$100,000 prepaid expense refund from Battelle Memorial Institute due to the Agreement for Commercializing Technology with Battelle Memorial Institute is still under reviewed by certain United States Government agency.

On April 12, 2019, the Company released \$100,000 to Golden Share based on the loan agreement with Golden Share.