



**CONDENSED INTERIM
FINANCIAL STATEMENTS
THREE MONTHS ENDED JUNE 30, 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

REX OPPORTUNITY CORP.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	June 30, 2020	March 31, 2020
ASSETS		
Current assets		
Cash	\$ 201,394	\$ 8,428
Amounts receivable	13,070	10,192
Prepays	30,000	---
Total assets	\$ 244,464	\$ 18,620
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 321,830	\$ 43,181
Total liabilities	321,830	43,181
Shareholders' deficiency		
Share capital (Note 4)	94,530,105	94,337,680
Reserves (Note 4)	48,000	---
Deficit	(94,655,471)	(94,362,241)
Total deficiency	(77,366)	(24,561)
Total deficiency and liabilities	\$ 244,464	\$ 18,620

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 8)
Subsequent events (Note 9)

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

On behalf of the Board,

"Signed"

Jim Boyle

Jim Boyle
 Director

"Signed"

Dave Guebert

Dave Guebert
 Director

REX OPPORTUNITY CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended June 30, 2020	Three months ended June 30, 2019
Operating Expenses		
General and administrative <i>(Note 6)</i>	\$ 293,230	\$ 22,652
Net loss and comprehensive loss for the period	\$ (293,230)	\$ (22,652)
Loss per common share, basic and diluted <i>(Note 7)</i>	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding during the period – basic and diluted <i>(Note 7)</i>	53,140,884	26,852,732

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

REX OPPORTUNITY CORP.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended June 30, 2020	Three months ended June 30, 2019
OPERATING ACTIVITIES		
Net loss for the period	\$ (293,230)	\$ (22,652)
Net change in non-cash working capital balances:		
Amounts receivable	(2,879)	(696)
Prepays	(30,000)	---
Accounts payable and accrued liabilities	278,650	23,332
Net cash flows used in operating activities	(47,459)	(16)
FINANCING ACTIVITIES		
Proceeds from unit issuance	250,000	---
Transaction costs on unit issuance	(9,575)	---
Net cash flows from financing activities	240,425	---
Net increase (decrease) in cash	192,966	(16)
Cash, beginning of the period	8,428	19,129
Cash, end of the period	\$201,394	\$19,113

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

REX OPPORTUNITY CORP.

Condensed Interim Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Shares Outstanding	Share Capital	Warrant Reserve	Deficit	Total
Balance at March 31, 2020	53,072,203	\$94,337,680	\$---	\$(94,362,241)	\$ (24,561)
Shares and warrants issued for cash (Note 4), net of issuance costs	1,250,000	192,425	48,000	---	240,425
Net loss for the period	---	---	---	(293,230)	(293,230)
Balance at June 30, 2020	54,322,203	\$94,530,105	\$48,000	\$(94,655,471)	\$ (77,366)

	Shares Outstanding	Share Capital	Warrant Reserve	Deficit	Total
Balance at March 31, 2019	26,852,732	\$94,075,485	\$---	\$(94,239,568)	\$ (164,083)
Net loss for the period	---	---	---	(22,652)	(22,652)
Balance at June 30, 2019	26,852,732	\$94,075,485	\$---	\$(94,262,220)	\$ (186,735)

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

REX OPPORTUNITY CORP.

Notes to Condensed Interim Financial Statements

Three Months Ended June 30, 2020 and June 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Rex Opportunity Corp. (the “Company” or “Rex”) is a corporation continued into the Province of Ontario from the Yukon Territory in 2011. Rex is a reporting issuer in the provinces of Manitoba, Ontario, and Québec. On September 29, 2011, the Company filed Articles of Continuance in Ontario. The address of the Company’s registered office is 25 Adelaide Street East, Suite 1900, Toronto, Ontario M5C 3A1.

These unaudited condensed interim financial statements of the Company for the three months ended June 30, 2020 and June 30, 2019 were approved and authorized for issue by the Board of Directors on August 27, 2020.

As at June 30, 2020, the Company had working capital deficiency of \$77,366 (March 31, 2020 - \$24,561 working capital deficiency) and an accumulated deficit of \$94,655,471 (March 31, 2020 – accumulated deficit of \$94,362,241). The Company’s ability to continue operations is dependent on management’s ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurances that it will be able to do so in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business. The Company has no ongoing operations and is currently seeking new business opportunities. Success in pivoting to the new business cannot be determined. Furthermore, the Company has limited working capital to pursue such opportunities.

These unaudited condensed interim financial statements do not include any adjustments to the classification of certain liabilities that might be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

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”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by the IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of August 27, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2020. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending March 31, 2021 could result in restatement of these unaudited condensed interim financial statements.

Basis of Measurement

These financial statements are prepared on the historical cost basis. In addition, these financial statements are prepared using the accrual basis of accounting except for cash flow information. The Company uses the Canadian dollar for both its functional and presentation currencies.

REX OPPORTUNITY CORP.

Notes to Condensed Interim Financial Statements

Three Months Ended June 30, 2020 and June 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, and these differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgment used in the preparation of the financial statements are described in the most recent annual financial statements as at and for the year ended March 31, 2020.

4. SHARE CAPITAL

Authorized

Unlimited number of common shares with no par value

Common Shares Issued:	Number of Shares	Amount
Balance, March 31, 2020	53,072,203	\$ 94,337,680
Shares issued	1,250,000	172,254
Balance, June 30, 2020	54,322,203	\$ 94,509,934

(i) On June 26, 2020, Rex closed a non-brokered private placement financing of 1,250,000 units at \$0.20 per unit for gross proceeds of \$250,000. Each unit consists of one common share and one warrant, each warrant exercisable at \$0.35 for 2 years. Officers and directors subscribed for 350,000 units for gross proceeds of \$70,000.

The following is a summary of warrants outstanding, along with the corresponding values:

	Warrants issued #	Weighted average exercise price \$
Balance, March 31, 2020	-	-
Warrants issued	1,250,000	0.35
Balance, June 30, 2020	1,250,000	0.35

The following table reflects the warrants issued and outstanding as of June 30, 2020:

Expiry dates	Number of warrants outstanding	Exercise price (\$)	Grant date fair value per warrant (\$)	Remaining Contractual Life (years)
June 26, 2022	1,250,000	0.35	0.04	1.99
	1,250,000			

Key assumptions used in valuing the warrants using the Black-Scholes option pricing model were stock price of \$0.16, risk-free interest rate of 0.29%, expected life of 2 years, dividend yield of 0% and expected volatility of 86% based on historical trading data of comparable digital media companies.

REX OPPORTUNITY CORP.

Notes to Condensed Interim Financial Statements

Three Months Ended June 30, 2020 and June 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

5. FINANCIAL INSTRUMENTS

Fair Value:

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the reporting date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying values of the Company's short-term financial instruments, comprising cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to their limited term.

Cash and amounts receivable are measured at amortized cost. Accounts payable and accrued liabilities are measured at amortized cost.

6. RELATED PARTY TRANSACTIONS

For the three months ended June 30, 2020, the Company incurred legal fees of \$40,006 included in general and administrative expenses (the three months ended June 30, 2019 - \$488) payable to a law firm who is one of the major shareholders with 40.4% holdings, of which a director and former director of the Company are partners. Included in amounts payable and other liabilities as at June 30, 2020 is \$40,006 (March 31, 2020 - \$8,645) owing to this law firm. These amounts were unsecured, non-interest bearing and due on demand.

For the three months ended June 30, 2020, the Company incurred management service fees of \$NIL included in general and administrative expenses (three months ended June 30, 2019 - \$15,000) payable to a former director of the Company. Included in amounts payable and other liabilities as at June 30, 2020 is \$NIL (March 31, 2020 - \$NIL) owing to this former director.

Rex entered into an outsourcing agreement with a company controlled by a director effective from March 1, 2020. As per the terms of the contract, the related company will provide:

- Office facilities, staff and business supplies and services to Rex Opportunities Corp.
- Rex shall pay the company for provision of office facilities, personnel, staff and business supplies and services at market rates on cost recovery plus 15% overhead fee basis.

An expense and liability of \$54,633 was recorded for the three months ended June 30, 2020 (2019 - \$Nil) with respect to this outsourcing agreement.

For the three months ended June 30, 2020, the Chief Executive Officer ("CEO") earned a fee of \$50,000 (2019 - \$Nil) per month. This fee is deferred until Rex is listed. Upon listing, the deferred amount will be payable. An expense and liability of \$150,000 (2019 - \$Nil) has been recorded for the three months ended June 30, 2020. See Note 8.

For the three months ended June 30, 2020, the Chief Operating Officer ("COO") earned a fee of \$12,000 (2019 - \$Nil) per month. This fee is 75% deferred until Rex is listed. Upon listing, the deferred amount will be paid and the base fee will increase to \$14,585 per month. An expense of \$36,000 (2019 - \$Nil) and a liability of \$27,000 (\$Nil) has been recorded for the three months ended June 30, 2020. See Note 8.

See Note 9.

As at June 30, 2020, the directors, a former director, and officers of the Company collectively controlled 38,423,659 common shares or approximately 70.7% (March 31, 2020 - 40,073,659 common shares or approximately 75.5%) of the total common shares outstanding. To the knowledge of directors and officers of the Company, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

REX OPPORTUNITY CORP.

Notes to Condensed Interim Financial Statements

Three Months Ended June 30, 2020 and June 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

7. LOSS PER SHARE

For the three months ended June 30, 2020, the Company had 54,322,203 common shares outstanding and 1,250,000 warrants outstanding. For the three months ended June 30, 2019, the Company had 26,852,732 common shares outstanding and no warrants outstanding.

Shares issuable from warrants were excluded from the computation of diluted loss per share as their effect would be anti-dilutive.

	Three months ended June 30, 2020	Three months ended June 30, 2019
Loss attributable to common shares (\$)	293,230	22,652
Weighted average number of shares outstanding	53,140,884	26,852,732
Net loss per share, basic and diluted (\$)	0.01	0.00

8. COMMITMENTS AND CONTINGENCIES

Executive Employment and Consulting Agreements

The Company has entered into certain employment and consulting agreements that can be terminated by either party providing not less than 3 months' notice. The total non-cancellable commitments of the Company related to these agreements is approximately \$229,750.

The CEO and COO are entitled to receive two annual bonuses, separately calculated as:

- their base fee times the increase in the Rex share price; and
- their base fee times the increase in Rex revenue.

In addition, the CEO and COO are entitled to a bonus upon the sale or merger of the Company equal to an aggregate of 6% of the aggregate consideration paid to Rex or Rex's shareholders.

See also Notes 6 and 9.

9. SUBSEQUENT EVENTS

On July 10, 2020, the Company discontinued its old stock option plan and established a new stock option. Rex granted an aggregate of 4,915,000 stock options to directors, officers, employees, and consultants of the Company, pursuant to this new stock option plan. These grants are conditional on shareholder approval, vest immediately and are exercisable for five years, at an exercise price equal to the average pre-listing financing share price.

Subsequent to June 30, 2020, Rex entered into employment agreements with its Chief Financial Officer ("CFO") and Chief Investment Officer ("CIO"). The CFO and CIO are entitled to receive two annual bonuses, separately calculated as:

- their base fee times the increase in the Rex share price; and
- their base fee times the increase in Rex revenue.

In addition, the CFO and CIO are entitled to a bonus upon the sale or merger of the Company equal to an aggregate of 2% of the aggregate consideration paid to Rex or Rex's shareholders.