# GULFSTREAM ACQUISTION 1 CORP.

## FINANCIAL STATEMENTS

## FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited – Expressed in Canadian Dollars)

**GULFSTREAM ACQUISITION 1 CORP.**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these interim financial statements they must be accompanied by a notice indicating that these interim financial statements have not been reviewed by the Company's auditors.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Audit Committee of the Board of Directors has reviewed the interim financial statements and related financial reporting matters.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**GULFSTREAM ACQUISITION 1 CORP.**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT SEPTEMBER 30, 2018 AND DECEMBER 31, 2017**

(Expressed in Canadian dollars)

| | September 30, 2018 | December 31, 2017 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash and cash equivalents | $ 430,402 | $ 470,443 |
| | $ 430,402 | $ 470,443 |
| **LIABILITIES** | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | $ 25,845 | $ 24,084 |
| **EQUITY** | | |
| SHARE CAPITAL (Note 4) | 684,831 | 684,831 |
| CONTRIBUTED SURPLUS | 61,632 | 61,632 |
| DEFICIT | (341,906) | (300,104) |
| | 404,557 | 446,359 |
| | $ 430,402 | $ 470,443 |

BASIS OF PRESENTATION AND CONTINUING OPERATIONS (Note 2)

Approved on behalf of the Board:

*"Mark Korol"*
Director

*"Charles Shin"*
Director

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

**GULFSTREAM ACQUISITION 1 CORP.**

**STATEMENTS OF COMPREHENSIVE LOSS**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017**

(Expressed in Canadian dollars)

| | **Three months ended** | | **Nine months ended** | |
|---|---|---|---|---|
| | **Sept. 30, 2018** | **Sept. 30, 2017** | **Sept. 30, 2018** | **Sept. 30, 2017** |
| EXPENSES | | | | |
| Project investigation costs (Note 8) | $ 21,485 | $ - | $ 21,485 | $ - |
| Accounting | 2,846 $ | 71 | 17,600 | 9,011 |
| Listing and regulatory | (6,482) | 3,336 | 2,717 | 7,938 |
| Legal fees | - | 100 | - | 2,843 |
| NET LOSS AND COMPREHENSIVE LOSS | $ (17,849) $ | $ (3,507) | $ (41,802) | $ (19,793) |
| LOSS PER SHARE – BASIC AND DILUTED | $ (0.00) $ | $ (0.00) | $ (0.01) | $ (0.00) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 8,055,159 | 5,147,467 | 8,055,159 | 5,822,806 |

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

**GULFSTREAM ACQUISITION 1 CORP.**

**STATEMENTS OF CASH FLOWS**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017**

(Expressed in Canadian dollars)

| | **September 30, 2018** | **September 30, 2017** |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Net loss for the year | $ (41,802) | $ (19,793) |
| Changes in non-cash working capital item: | | |
| Accounts payable and accrued liabilities | 1,761 | (40,457) |
| Deposits | - 222 | (25,000) |
| Cash used in operating activities | (40,041) | (85,250) |
| FINANCING ACTIVITIES | | |
| Shares issued for cash | - | 300,000 |
| Share issuance costs | - | - |
| Cash provided by financing activities | - | 300,000 |
| CHANGE IN CASH AND CASH EQUIVALENTS | (40,041) | 214,750 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 470,443 | 267,012 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | $ 430,402 | $ 481,762 |
| SUPPLEMENTAL INFORMATION | | |
| Interest paid | $ - | $ - |
| Income taxes paid | $ - | $ - |

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

**GULFSTREAM ACQUISITION 1 CORP.**

**STATEMENTS OF CHANGES IN EQUITY**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017**

(Expressed in Canadian dollars)

| | Number of Common Shares Issued | | Amount of Common Shares Issued | | Contributed Surplus | | Deficit | | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2015** | **6,855,159** | **$** | **387,574** | **$** | **61,632** | **$** | **(165,721)** | **$** | **283,485** |
| Shares cancelled | (2,100,000) | | - | | - | | - | | - |
| Comprehensive loss for the year | - | | - | | - | | (80,274) | | (80,274) |
| **Balance, December 31, 2016** | **4,755,159** | **$** | **387,574** | **$** | **61,632** | **$** | **(245,995)** | **$** | **203,211** |
| Shares issued | 3,000,000 | | 300,000 | | - | | - | | 300,000 |
| Comprehensive loss for the period | - | | - | | - | | (19,793) | | (19,793) |
| **Balance, September 30, 2017** | **8,055,159** | **$** | **687,574** | **$** | **61,632** | **$** | **(265,788)** | **$** | **483,418** |
| Share issuance costs | 300,000 | | (2,743) | | - | | - | | (2,743) |
| Comprehensive loss for the period | - | | - | | - | | (34,316) | | (34,316) |
| **Balance, December 31, 2017** | **8,055,159** | **$** | **684,831** | **$** | **61,632** | **$** | **(300,104)** | **$** | **446,359** |
| Comprehensive loss for the period | - | | - | | - | | (41,802) | | (41,802) |
| **Balance, September 30, 2018** | **8,055,159** | **$** | **684,831** | **$** | **61,632** | **$** | **(341,906)** | **$** | **404,557** |

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

1. NATURE OF BUSINESS

Gulfstream Acquisition 1 Corp. (the “Company”) was incorporated on June 8, 2012 under the Ontario Business Corporations Act. The Company is a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4 and accordingly, its planned principal activity is to use its capital to investigate and acquire a business or group of assets (the “Qualifying Transaction”). The address of the Company’s principal place of business and registered office is 181 Bay Street, Suite 4400, Toronto, ON M5J 2T3.

2. BASIS OF PREPARATION AND CONTINUING OPERATIONS

Statement of Compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited interim condensed financial statements were prepared using the same accounting policies and methods as those used in the Company’s audited financial statements for the period January 1, 2017 to December 31, 2017. These interim financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Accordingly certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), have been omitted.

Approval of the Financial Statements

The financial statements of the Company for the three and nine months ended September 30, 2018 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on November 29, 2018.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note Going Concern.

As at September 30, 2018, the Company had no business operations and its only significant asset was cash. The Company reported a net loss of $41,802 for the nine months ended September 30, 2018 and has accumulated losses of $341,906 since inception.

The principal activity of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of, or participation in, a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities (the “Qualifying Transaction”). Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to identify, evaluate and negotiate an acquisition, participate in or invest in an interest in a Qualifying Transaction, and obtain additional financing. The Company has not identified a business or asset that warrants acquisition or participation within twenty-four months from the date the Company’s shares were listed for trading, and as a result the Exchange may suspend or de-list the Company’s shares from trading. These factors create a material uncertainty that raises significant doubt upon the Company’s ability to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

a) Cash and Cash Equivalents

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of 90 days or less when acquired to be cash equivalents.

b) Significant Accounting Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. Significant areas requiring the use of management estimates include the determination of share-based compensation and the recognition of deferred income tax assets. Actual results could differ from these estimates.

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective or assessments with a significant risk of material adjustment in the next year. Significant areas requiring critical accounting judgements include the Company's ability to carry on as a going concern.

c) Income Taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

d) Loss Per Share

Basic loss per share is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

d) Share Issue Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share-based Compensation

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of equity settled stock options awarded to employees defined under IFRS 2 Share-based payments (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees defined under IFRS 2, as of the date of delivery of service, is recognized as share-based compensation expense, included in general and administrative expenses in the statement of comprehensive loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity.

f) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash and cash equivalents is carried at fair value using a level 1 fair value measurement.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

<u>Financial liabilities</u>

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value change to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its accounts payable as amortized cost.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

g) Changes in Accounting Policies

The Company did not adopt any new or revised accounting standards during the nine months ended September 30, 2018 other than the adoption of IFRS 9 Financial Instruments – Classification and Measurement and IFRS 15 Revenue from Contracts with Customers. The adoption of these standards did not have a significant impact on the Company's financial statements.

The Company did not adopt any new or revised accounting standards during the year ended December 31, 2017 which had a significant impact on the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) New Accounting Standards Issued But Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company intends to adopt these standards when they become effective.

New accounting standards effective for annual periods on or after January 1, 2019:

*New standard IFRS 16 Leases* –IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The Company does not expect that the adoption of the above standards and interpretations will have a significant impact on the Company's financial statements.

4. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Issued and outstanding:

On July 10, 2017, the Company issued 3,000,000 common shares at a price of $0.10 per common share for aggregate gross proceeds of $300,000.

In connection with closing of the private placement, on July 10, 2017, the Company issued a total of 300,000 common shares to eligible finders, being 10% of the number of common shares sold under the private placement to purchasers introduced by the finders. The Company recognized a fair value of $30,000 for these shares recorded as share issuance cost in the statement of changes in equity.

The Company also incurred $2,743 in legal fees related to the private placement which are recorded as share issuance costs.

c) Escrow shares

There were no shares held in escrow as at September 30, 2018 and 2017.

d) Stock options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in their discretion, and in accordance with the requirements of the TSX Venture Exchange (the "Exchange"), grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options will be exercisable for a period of up to 5 years from the date of grant, and must comply with the rules of the Exchange.

(Unaudited - Expressed in Canadian dollars)

4. SHARE CAPITAL (continued)

d) Stock options (continued)

There were no stock option transactions during the year ended December 31, 2017.

On April 18, 2018, the Company issued 199,485 stock options to Officers and Directors of the Company with an exercise price of $0.10 per common share with an expiry date of April 19, 2023.

On June 13, 2018, the 475,515 options outstanding that had been issued on June 14, 2013 expired.

On July 18, 2018, the Company issued 606,015 stock options to Officers and Directors of the Company with an exercise price of $0.10 per common share with an expiry date of July 19, 2023.

The following table summarizes stock options outstanding and exercisable at September 30, 2018:

| | Number of options | Weighted average exercise price |
|---|---|---|
| Balance at June 30, 2017 | 475,515 | $0.10 |
| Options Issued on April 18, 2018 | 199,485 | $0.10 |
| Options Expired on June 13, 2018 | (475,515) | $0.10 |
| Options Issued on September 30, 2018 | 606,015 | $0.10 |
| Balance at September 30, 2018 | 805,500 | $0.10 |

The following table summarizes stock options outstanding and exercisable at September 30, 2018:

| | Outstanding | | | Exercisable | |
|---|---|---|---|---|---|
| Exercise price $ | Number of options | Weighted average remaining contractual life (years) | Weighted average exercise price $ | Number of options | Weighted average exercise price $ |
| 0.10 | 805,500 | 4.7 | 0.10 | 805,500 | 0.10 |

Any common shares acquired pursuant to the exercise of options prior to completion of a Qualifying Transaction must be deposited into escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

e) Warrants

There were no warrants outstanding at September 30, 2018 and 2017.

(Unaudited - Expressed in Canadian dollars)

5. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, evaluation and acquisition of a Qualified Transaction. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of shareholders equity. As at September 30, 2018, the Company had capital resources consisting of cash and cash equivalents. 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 common shares or dispose of assets or adjust the amount of cash.

6. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

| | September 30, 2018 | 2017 |
|---|---|---|
| Combined statutory tax rate | 26.5% | 26.5% |
| Income tax recovery at combined statutory rate | $ (10,039) | $ (14,339) |
| Tax benefits not recognized | 10,039 | 14,339 |
| Deferred income tax expense | $ – | $ – |

Significant components of the Company's deferred income tax assets are shown below:

| | September 30, 2018 | 2017 |
|---|---|---|
| Non-capital loss carry forwards | $ 37,885 | $ 86,669 |
| Share issuance costs | - | 2,346 |
| Tax benefits not recognized | (37,885) | (89,014) |
| Net deferred income tax assets | $ – | $ – |

As at September 30, 2018, the Company had approximately $365,000 in non-capital loss carry forward available to reduce taxable income for future years. The non-capital losses expire accordingly:

| | |
|---|---|
| 2032 | $ 15,000 |
| 2033 | 70,000 |
| 2034 | 46,000 |
| 2035 | 42,000 |
| 2036 | 90,000 |
| 2037 | 64,000 |
| 2038 | 38,000 |
| | $ 365,000 |

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2018, the Company's financial instruments consist of cash and cash equivalents and accounts payable.

In management's opinion, the Company's carrying value of cash approximates the fair value due to the immediate or short term maturity of this instrument.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalent is held at a large Canadian financial institution in interest bearing accounts.

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 manages liquidity risk through its capital management as outlined in Note 5 to the financial statements.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates.

Interest Rate Risk

The Company does not have any financial assets exposed to interest rate risk.

Price Risk

The Company is not exposed to price risk.

Currency Risk

As at September 30, 2018, the Company has not incurred any foreign currency expenditures, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

(Unaudited - Expressed in Canadian dollars)

## 8. PROPOSED QUALIFYING TRANSACTIONS

a) Blue Goose Capital Corp.

On February 17, 2016, the Company signed a non-binding letter of intent with Blue Goose Capital Corp. ("Blue Goose") which outlined a proposed transaction that would result in the Company acquiring all of the issued and outstanding shares of Blue Goose. The proposed transaction was expected to constitute the Company's Qualifying Transaction pursuant to Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange.

On June 22, 2016, the Company terminated the letter of intent with Blue Goose.

b) Herman Market Ltd.

On August 8, 2017, the Company signed a non-binding letter of intent (LOI) with Herman Market Ltd. ("Herman Market") which outlined a proposed transaction that would result in the Company acquiring all of the issued and outstanding shares of Herman Market. The proposed transaction was expected to constitute the Company's Qualifying Transaction pursuant to Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange.

On the signing of the LOI, Gulfstream provided a $25,000 non-refundable deposit to Herman Market. On exchange approval, Gulfstream would lend $225,000 to Herman Market as a refundable secured interest-bearing loan.

All costs related to the proposed transaction, including due diligence were expensed when incurred as project investigation costs.

On January 31, 2018, the Company terminated the previously announced letter of intent with Herman Market pursuant to which the Company and Herman Market were to complete a business combination intended to constitute the Company's Qualifying Transaction pursuant to Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange.

c) All costs related to a proposed transaction, including due diligence were expensed when incurred as project investigation costs. Project investigation costs consist of:

| | **September 30, 2018** | **December 31, 2017** |
|---|---|---|
| Consulting and advisory fees | $13,650 | $ 25,000 |
| Travel and promotion | 7,835 | (849) |
| Total project investigation costs | $21,485 | $ 24,151 |

9. SUBSEQUENT EVENTS

a) On November 22, 2018, Mark Attanasio resigned as a director of the Company to pursue other professional opportunities. The Company would like to thank Mr. Attanasio for his service to the Company and for the contributions he has made to the Company.