

MIMI'S ROCK

Mimi's Rock Corp.

**Condensed Consolidated Interim Financial
Statements**

For the Three Months Ended March 31, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

Mimi's Rock Corp.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

As at:	March 31	December 31
	2020	2019
Assets		
Current assets		
Cash	\$ 1,912,546	\$ 1,945,753
Trade and other receivables	460,420	710,643
Inventories	1,995,858	1,241,263
Income taxes recoverable	1,745,573	1,042,781
Prepaid expenses	257,115	255,350
	6,371,512	5,195,790
Non-current assets		
Property and equipment <i>note 2</i>	297,109	303,736
Right of use assets <i>note 3</i>	533,465	546,297
Intangible assets <i>note 4</i>	14,751,204	13,746,475
Goodwill <i>note 5</i>	27,607,833	25,891,962
Total assets	\$ 49,561,123	\$ 45,684,260
Liabilities and Equity		
Current liabilities		
Operating line	\$ 757,000	\$ 326,000
Accounts payable and accrued liabilities	4,785,980	3,740,673
Income taxes payable	201,256	164,355
Provisions <i>note 6</i>	32,383	30,533
Current portion of lease liability <i>note 7</i>	82,540	80,103
Current portion of debt <i>note 8</i>	17,715,835	18,536,305
	23,574,994	22,877,969
Non-current liabilities		
Lease liability <i>note 7</i>	464,526	427,772
Deferred income taxes	3,972,301	3,971,026
Total liabilities	28,011,821	27,276,767
Equity		
Share capital <i>note 9</i>	22,110,464	22,203,062
Contributed surplus	2,086,417	2,002,123
Deficit	(4,811,414)	(5,092,929)
Accumulated other comprehensive income	2,163,835	(704,763)
Total equity	21,549,302	18,407,493
Total liabilities and equity	\$ 49,561,123	\$ 45,684,260

Approved on behalf of the Board:
(signed) Norman Betts

Director

(signed) Telfer Hanson

Director

Mimi's Rock Corp.
Condensed Consolidated Interim Statements of Operations
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended March 31	
	2020	2019
Revenues	\$ 10,435,311	\$ 10,166,227
Cost of goods sold	3,181,869	3,041,331
Gross margin	7,253,442	7,124,896
Operating expenses:		
Selling and marketing	4,748,087	4,502,744
General and administrative	1,277,285	1,303,632
Share-based compensation <i>note 9</i>	71,182	212,372
Depreciation <i>note 2, 3</i>	47,828	13,355
Foreign exchange losses	57,521	21,535
	6,201,903	6,053,638
Income before undernoted	1,051,539	1,071,258
Interest expense and financing costs	244,738	467,471
Investment income	-	(13,300)
Income before income taxes	806,801	617,087
Income tax expense (recovery) - current <i>note 12</i>	570,255	82,862
- deferred <i>note 12</i>	(44,969)	142,308
Net income for the period	\$ 281,515	\$ 391,917
Earnings per share		
Basic	\$ 0.01	\$ 0.02
Diluted	\$ 0.01	\$ 0.02
Weighted average number of common shares outstanding - basic	52,603,026	15,995,250
Weighted average number of common shares outstanding - diluted	52,603,026	15,995,250

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Mimi's Rock Corp.
Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended March 31	
	2020	2019
Net income for the period	\$ 281,515	\$ 391,917
Other comprehensive income (loss)		
Items that may be reclassified to income:		
Currency translation differences	2,868,598	(694,988)
Other comprehensive income (loss) for the period	2,868,598	(694,988)
Total comprehensive income (loss)	\$ 3,150,113	\$ (303,071)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Mimi's Rock Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended March 31	
	2020	2019
Operating activities		
Net income for the period	\$ 281,515	\$ 391,917
Adjustments for the following items:		
Depreciation	47,828	13,355
Interest expense	244,738	467,471
Income tax expense	525,286	225,170
Unrealized foreign exchange gains	(24,817)	(99,580)
Share-based compensation	71,182	212,372
Interest paid	(233,608)	(261,880)
Income taxes paid	(971,385)	(1,437,782)
Net change in non-cash working capital balances:		
Provisions	1,850	696
Trade and other receivables	250,223	(561,454)
Prepaid expenses	(1,765)	(106,572)
Inventories	(754,595)	169,010
Accounts payable and accrued liabilities	1,045,307	(528,219)
Net cash provided by (used in) operating activities	481,759	(1,515,496)
Financing activities		
Repurchase of common shares	(79,486)	-
Advances on operating line	431,000	269,000
Payment of lease obligations	(25,837)	(25,227)
Repayment of long-term debt	(831,600)	(759,000)
Net cash used in financing activities	(505,923)	(515,227)
Investing activities:		
Purchase of property and equipment	(9,043)	(37,945)
Proceeds from short-term investments	-	(13,300)
Net cash used in investing activities	(9,043)	(51,245)
Net change in cash	\$ (33,207)	(2,081,968)
Cash, beginning of period	1,945,753	2,646,151
Cash, end of period	\$ 1,912,546	\$ 564,183

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Mimi's Rock Corp.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited)
(Expressed in Canadian dollars)

	Share capital	Contributed surplus	Preferred shares	Accumulated deficit	Accumulated other comprehensive income (AOCI)	Total equity
Balance, December 31, 2018	\$ 663,502	\$ 1,376,860	\$ 15,819,863	\$ (953,451)	\$ (694,988)	\$ 16,211,786
Share-based compensation	-	212,372	-	-	-	212,372
Net income for the period	-	-	-	391,917	-	391,917
Other comprehensive loss	-	-	-	-	(694,988)	(694,988)
Balance, March 31, 2019	\$ 663,502	\$ 1,589,232	\$ 15,819,863	\$ (561,534)	\$ 192,982	\$ 17,704,045
Balance, December 31, 2019	\$ 22,203,062	\$ 2,002,123	\$ -	\$ (5,092,929)	\$ (704,763)	\$ 18,407,493
Share-based compensation	-	71,182	-	-	-	71,182
Share repurchase and cancellation pursuant to normal course issuer bid	(92,598)	13,112	-	-	-	(79,486)
Net income for the period	-	-	-	281,515	-	281,515
Other comprehensive income	-	-	-	-	2,868,598	2,868,598
Balance, March 31, 2020	\$ 22,110,464	\$ 2,086,417	\$ -	\$ (4,811,414)	\$ 2,163,835	\$ 21,549,302

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Mimi's Rock Corp.
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in Canadian dollars)

For the three months ended March 31, 2020 and 2019

1. Presentation of Financial Statements

Nature of Business

Mimi's Rock Corp., formerly known as Commerce Acquisition Corp. ("the Company"), was incorporated under the Ontario Business Corporations Act ("OBCA") on March 27, 2017. The Company and its subsidiaries operate in Canada and Europe. The head office of the Company is 610 Chartwell Road, Suite 202, Oakville, Ontario. The Company is a marketer and distributor of dietary supplements, vitamins, skin care and other wellness products through online channels to its customers in the United States, Canada and Europe.

The Company was previously classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange. The principal business of the Company as a CPC was to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction. The purpose of such an acquisition was to satisfy the related conditions of a qualifying transaction under the Exchange rules ("Qualifying Transaction").

On May 27, 2019, the Company completed its Qualifying Transaction pursuant to an amalgamation agreement between the Company and a private corporation, Mimi's Rock Inc. ("MRI"). As a part of the Qualifying Transaction, the Company changed its name from "Commerce Acquisition Corp." to "Mimi's Rock Corp."

Basis of Preparation

These unaudited condensed consolidated interim financial statements ("interim financial statements") of the Company have been prepared on a historical cost basis, except for certain financial assets which are presented at fair value, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS") for interim financial statements. The interim financial statements have been prepared on a basis consistent with the Company's annual audited consolidated financial statements for the year ended December 31, 2019. These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they become due. The interim financial statements are in compliance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Accordingly, certain information and note disclosure normally included in annual financial statements prepared in accordance with IFRS, have been omitted or condensed. During the quarter ended March 31, 2020, there were no significant changes in accounting policies or their application.

The preparation of the Company's interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in Note 2 of the Company's annual audited consolidated financial statements for the year ended December 31, 2019. These interim financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2019.

These interim financial statements were authorized for issue by the Company's Board of Directors on June 29, 2020.

Mimi's Rock Corp.
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)
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2. Property and equipment

Continuity of property and equipment for the period ended March 31, 2020 was as follows:

	Computer Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Cost at December 31, 2019	\$ 72,694	\$ 49,109	\$ 232,620	\$ 354,423
Additions	-	-	9,043	9,043
Foreign exchange differences	3,016	875	-	3,891
Cost at March 31, 2020	\$ 75,710	\$ 49,984	\$ 241,663	\$ 367,357
Accumulated Depreciation at December 31, 2019	\$ 18,760	\$ 14,445	\$ 17,482	\$ 50,687
Depreciation charge	4,838	4,382	8,615	17,835
Foreign exchange differences	1,036	690	-	1,726
Accumulated Depreciation at March 31, 2020	\$ 24,634	\$ 19,517	\$ 26,097	\$ 70,248
Net book value at December 31, 2019	\$ 53,934	\$ 34,664	\$ 215,138	\$ 303,736
Net book value at March 31, 2020	\$ 51,076	\$ 30,467	\$ 215,566	\$ 297,109

Continuity of property and equipment for the period ended March 31, 2019 was as follows:

	Computer Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Cost at December 31, 2018	\$ 53,602	\$ 8,689	\$ -	\$ 62,291
Additions	12,819	-	25,126	37,945
Foreign exchange differences	(627)	(223)	-	(850)
Cost at March 31, 2019	\$ 65,793	\$ 8,466	\$ 25,126	\$ 99,386
Accumulated Depreciation at December 31, 2018	\$ 3,323	\$ 2,112	\$ -	\$ 5,435
Depreciation charge	3,504	936	-	4,440
Foreign exchange differences	(94)	(82)	-	(176)
Accumulated Depreciation at March 31, 2019	\$ 6,733	\$ 2,966	\$ -	\$ 9,699
Net book value at March 31, 2019	\$ 59,061	\$ 5,500	\$ 25,126	\$ 89,687

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3. Right of use assets

The Company's right-of-use assets primarily relate to the lease of office space. Leases are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities is 7.4%.

	March 31 2020	March 31 2019
Cost, beginning of period	\$ 630,943	\$ 590,642
Foreign exchange differences	19,735	(41)
Cost, end of period	\$ 650,678	\$ 590,601
Accumulated Depreciation, beginning of period	\$ 84,646	\$ -
Depreciation charge	29,993	8,915
Foreign exchange differences	2,574	-
Accumulated Depreciation, end of period	\$ 117,213	\$ 8,915
Net book value, beginning of period	\$ 546,297	\$ 590,642
Net book value, end of period	\$ 533,465	\$ 581,686

4. Intangible assets

Continuity of intangible assets for the three months ended March 31, 2020 and 2019 was as follows:

	March 31 2020	March 31 2019
Brand and Trademarks		
Balance, beginning of period	\$ 13,746,475	\$ 11,807,518
Foreign exchange differences	1,004,729	(245,774)
Balance, end of period	\$ 14,751,204	\$ 11,561,744

Intangible assets consist of indefinite-life brand and trademarks. For the purposes of impairment testing, intangible assets is allocated to CGUs as follows:

	DTI	All Natural	Maritime Naturals
Balance, December 31, 2019	\$ 11,217,315	\$ 1,395,140	\$ 1,134,020
Foreign exchange differences	1,004,729	-	-
Balance, March 31, 2020	\$ 12,222,044	\$ 1,395,140	\$ 1,134,020

There have been no impairment losses recognized against intangible assets in current or prior periods.

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5. Goodwill

The continuity of goodwill for the three months ended March 31, 2020 and 2019 was as follows:

	March 31 2020	March 31 2019
Balance, beginning of period	\$ 25,891,962	\$ 20,408,899
Foreign exchange differences	1,715,871	(419,731)
Balance, end of period	\$ 27,607,833	\$19,989,168

For the purposes of impairment testing, goodwill acquired through business combinations is allocated to CGUs as follows:

	DTI	All Natural	Maritime Naturals
Balance, December 31, 2019	\$ 19,400,954	\$ 3,637,493	\$ 2,853,515
Foreign exchange differences	1,715,871	-	-
Balance, March 31, 2020	\$ 21,116,825	\$ 3,637,493	\$ 2,853,515

There were no impairment losses recognized against goodwill during period ended March 31, 2020.

6. Provisions

	March 31 2020	December 31 2019
Balance at beginning of period	\$ 30,533	\$ 34,970
Charges	3,223	16,762
Utilization	(4,011)	(18,803)
Foreign exchange	2,638	(2,396)
Balance at end of period	\$ 32,383	\$ 30,533
Less: current portion of provisions	(32,383)	(30,533)
Non-current portion of provisions	\$ -	\$ -

7. Lease Liability

	March 31 2020	March 31 2019
Balance, beginning of period	\$ 507,875	\$ 590,642
Interest expense	13,240	9,891
Lease payments	(39,077)	(25,227)
Foreign exchange	65,028	468
Balance, end of period	\$ 547,066	\$ 575,774
Less: current portion of lease liability	(82,540)	(77,277)
Non-current portion of lease liability	\$ 464,526	\$ 498,497

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8. Debt

	March 31 2020	December 31 2019
Current		
Senior secured facility, net of unamortized transaction costs of \$47,671 (2019: \$55,000)	\$ 15,697,917	\$ 16,533,346
Short term promissory notes	2,017,918	2,002,959
Total	\$ 17,715,835	\$ 18,536,305
Non-Current		
	\$ -	\$ -
Total	\$ -	\$ -

Senior secured facility

The facility is secured by all assets of the Company and contains affirmative and negative covenants including compliance with laws and restrictions on additional debt, as well as traditional financial covenants such as debt to earnings and other coverage ratios. As measured at March 31, 2020 and December 31, 2019, the Company was not in compliance with certain financial covenants of the senior secured facility. The Company received a waiver with respect to covenants at December 31, 2019 and expects to receive a waiver from its lender with respect to the covenants at March 31, 2020. As the Company was not in compliance at the reporting date, the full balance of the loan has been presented as due within the current period.

Short term promissory notes

In connection with the acquisition of each of All Natural and Maritime Naturals, a portion of the purchase price was paid via the issuance of a promissory note to the vendor. The principal amount of the promissory note to the vendor of All Natural was \$1,120,770, while the principal amount of the note to the vendor of Maritime Naturals was \$869,230, for a total principal of \$2,000,000. Both notes are due one year from the acquisition date, or December 13, 2020, accrue interest at 3% and are subordinated to the senior secured facility and are unsecured other than by written guarantees of the acquired companies.

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9. Share capital

(a) Authorized:

Unlimited common shares without par value. Unlimited preferred shares.

Issued:

	Three months ended March 31, 2020		Year ended December 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance , beginning of period	52,745,883	\$ 22,203,062	15,995,250	\$ 663,502
Common shares repurchased pursuant to normal course issuer bid	(220,000)	(92,598)	-	-
Common shares issued in connection with reverse takeover acquisition	-	-	1,562,500	1,046,875
Conversion of preferred A shares	-	-	27,666,797	16,572,551
Conversion of preferred B shares	-	-	4,147,290	2,779,012
Common shares issued in connection with acquisition	-	-	3,186,546	955,964
Exercise of stock options	-	-	180,000	178,572
Exercise of warrants	-	-	7,500	6,586
Balance , end of period	52,525,883	\$ 22,110,464	52,745,883	\$ 22,203,062

(b) Normal Course Issuer Bid

In November 2019, the Company announced that the TSX Venture Exchange (the "Exchange") had accepted the Company's notice to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 3,029,109 of its common shares, representing approximately 10% of the Company's "public float". The Company received approval from the Exchange to commence the NCIB on November 29, 2019 and continue to November 28, 2020, or earlier in the event that the Company has acquired the maximum number of Shares that may be purchased under the NCIB. The Company may also terminate the NCIB earlier if it feels it is appropriate to so.

All shares purchased by the Company under the NCIB will be cancelled. During the three months ended March 31, 2020, the Company repurchased and cancelled 220,000 shares under the NCIB at an average price of approximately \$0.36 per share.

(c) Stock option plan

The Company offers equity-based compensation under its stock option plan. Under the plan, the options are exercisable for one common share and the exercise price of the option must equal the market price of the underlying share at the grant date. The options have vesting periods ranging from the date of grant up to two years. Once vested, options are exercisable at any time until expiry.

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There were no options granted during the three months ended March 31, 2020 (2019: 67,500). Outstanding options have terms of one to five years from the date of grant and vest over periods of one to two years.

Share based compensation expense is based on the estimated number of awards that will eventually vest and adjustments are made for forfeitures as they occur. The estimated fair value of the options granted during the three months ended March 31, 2020, using the Black-Scholes option pricing model, was \$nil (2019: \$15,820). For the three months ended March 31, 2020, stock based compensation expense of \$71,182 (2019: \$212,372) relating to prior period grants and has been included in equity as contributed surplus. The remaining expense will be recognized over the balance of the vesting periods.

(e) Stock option details

The fair value of each option granted was estimated on the date of the grant using the Black-Scholes fair value option pricing model with the following assumptions:

	Three months ended March 31	
	2020	2019
Weighted-average fair value of options	n/a	\$0.73
Risk-free interest rate	n/a	1.92%
Volatility of the Company's common shares	n/a	55%
Weighted average expected life of the options	n/a	5 years
Forfeiture rate	n/a	0%
Expected dividends	nil	nil

Volatility was determined based on daily observations of the historical stock price for comparable companies over a period consistent with the expected life of the options at the date of grant.

Details of outstanding options are as follows:

	Number of options	Weighted average exercise price per share
Options outstanding at December 31, 2019	4,857,500	\$ 0.69
Options expired	(3,750)	0.67
Options outstanding, March 31, 2020	4,853,750	\$ 0.69
Options exercisable, March 31, 2020	4,257,250	\$ 0.69

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10. Warrants

Details of outstanding warrants are as follows:

	Number of warrants	Exercise price per share
Warrants outstanding at December 31, 2019	2,850,440	\$ 0.68
Warrants outstanding, March 31, 2020	2,850,440	\$ 0.68
Warrants exercisable, March 31, 2020	2,850,440	\$ 0.68

11. Related party transactions

At March 31, 2020 and 2019, there were no amounts owing to or from related parties, other than the loan receivable as described below. The remuneration of directors and other members of key management personnel, defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, and recorded in the general and administrative line of operating expenses are as follows:

	March 31 2020	March 31 2019
Salaries	\$ 458,192	\$ 435,969
Share based compensation	43,087	129,260
	\$ 501,279	\$ 565,229

12. Income taxes

The major components of income tax expense for the three months ended March 31, 2020 and 2019 are:

	March 31 2020	March 31 2019
Income tax recognized in profit or loss		
Current tax		
Based on taxable income	\$ 570,255	\$ 82,862
Deferred tax:		
Origination and reversal of temporary differences	(44,969)	142,308
Provision for income taxes	\$ 525,286	\$ 225,170

The Company has recognized an estimated current tax expense and adjustment to deferred taxes based on an approximation of tax liabilities due with respect to its operations in Germany, Barbados and Canada. Income taxes recoverable represent withholding taxes paid on intercompany dividends and are expected to be recovered in subsequent periods.

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13. Management of capital

The Company includes the following in its definition of capital:

	March 31 2020	December 31 2019
Debt	\$ 17,715,835	\$ 18,536,305
Equity comprised of:		
Share capital	22,110,464	22,203,062
Contributed surplus	2,086,417	2,002,123
Deficit and accumulated other comprehensive income	(2,647,579)	(5,797,692)
	\$ 39,265,137	\$ 36,943,798

The Company's objectives when managing capital are:

- (a) to allow the Company to respond to changes in economic and/or marketplace conditions;
- (b) to give shareholders sustained growth in shareholder value by increasing shareholders' equity;
- (c) to ensure that the Company maintains the level of capital necessary to meet the requirements of its debt;
- (d) to comply with financial covenants required under its debt facilities; and
- (e) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) raising capital through equity financings;
- (b) utilizing leverage in the form of third party debt; and
- (c) realizing proceeds from the disposition of its investments

The Company is not subject to any capital requirements imposed by a regulator. The Company is subject to certain capital requirements and negative covenants with respect to its debt and other than default and restrictions as discussed in Note 8, there are no other externally imposed restrictions on capital.

There were no changes in the Company's approach to capital management during the year. To date, the Company has not declared any cash dividends to its common or preferred shareholders as part of its capital management program. The Company's management is responsible for the management of capital and monitors the Company's use of various forms of leverage on a regular basis.

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14. Financial instruments and financial risk management

a) Fair Value Estimation

The Company's carrying value of cash, short-term investments, trade and other receivables and accounts payable and accrued liabilities approximate their fair values due to the immediate or short term maturity of these instruments. The fair value of long-term liabilities is not materially different than its carrying value due to the recent issuance of these liabilities.

Carrying value and fair value of financial assets and liabilities are summarized as follows:

Classification	March 31, 2020	
	Carrying value	Fair value
	\$	\$
Loans and receivables		
- Cash	1,912,546	1,912,546
- Trade and other receivables	460,420	460,420
- Income tax recoverable	1,745,573	1,745,573
Other financial liabilities		
- Operating line	757,000	757,000
- Accounts payable and accrued liabilities	4,785,980	4,785,980
- Income taxes payable	201,256	201,256
- Debt	17,715,835	17,763,506

b) Financial Risk Factors

The use of financial instruments can expose the Company to several risks, including market, credit and liquidity risks. Apart from the risks listed below, management is of the opinion that they are not exposed to any other significant risks. A discussion of the Company's use of financial instruments and its risk management is provided below.

(i) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. In order to mitigate this risk, the Company maintains a sufficient cash balance in order to satisfy short-term liabilities as they come due and actively pursues raising capital through various public and private financing mechanisms to satisfy longer term needs.

The table below analyzes the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and do not include capitalized transaction costs.

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At March 31, 2020	2020	2021	Year ended December 31	
			2022	Thereafter
Debt	\$ 4,494,800	\$ 4,158,000	\$ 4,158,000	\$ 4,989,600
Operating line	757,000			
Accounts payable and accrued liabilities	4,785,980	-	-	-
Income taxes payable	201,256	-	-	-
Lease liability	71,199	95,420	98,111	346,068
Total	\$ 10,310,235	\$ 4,254,420	\$ 4,256,111	\$ 5,335,668

(ii) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is not exposed to significant market risk given the low value of its investments.

(iii) Currency risk:

The following financial assets and liabilities were denominated in foreign currencies at March 31, 2020 (U.S. dollar 1.4123, Euro 1.5558, British Pound (GBP) 1.7473) and December 31, 2019 (U.S. dollar 1.2962, Euro 1.4552, British Pound (GBP) 1.7584):

	March 31 2020	December 31 2019
Denominated in U.S. dollars		
Cash	1,279,844	1,366,987
Trade and other receivables	377,595	603,735
Accounts payable and accrued liabilities	(1,719,560)	(481,748)
Income taxes payable	(87,166)	(66,111)
Net assets denominated in U.S. dollars	(149,287)	1,422,863
Denominated in Euros		
Cash	118,052	163,578
Income taxes receivable	1,745,573	1,042,781
Accounts payable and accrued liabilities	(1,901,797)	(1,998,180)
Lease liability	(299,710)	(247,358)
Net assets denominated in Euros	(337,882)	(1,039,179)
Denominated in GBP		
Cash	69,731	70,174
Net assets denominated in GBP	69,731	70,174

Mimi's Rock Corp.
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)
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For the three months ended March 31, 2020 and 2019

The following table shows the estimated sensitivity of the Company's total comprehensive loss for the three months ended March 31, 2020 from a change in foreign currencies with all other variables held constant as at March 31, 2020:

Percentage change in foreign currencies	Change in net pre-tax loss from % increase in foreign currencies	Change in net pre-tax loss from % decrease in foreign currencies
2%	\$ 8,340	\$ (8,340)
4%	16,680	(16,680)
6%	25,020	(25,020)
8%	33,360	(33,360)
10%	41,699	(41,699)

The Company is subject to currency risk through its sales of products denominated in foreign currencies, purchases of inventory in US dollars and product acquisitions denominated in foreign currencies. As such, changes in the exchange rate affect the operating results of the Company. Dependent on the nature, amount and timing of foreign currency receipts and payments, the Company may from time to time enter into foreign currency derivative contracts to reduce its exposure to foreign currency risks

(iv) Credit risk:

Certain of the Company's financial assets, including cash, short-term investments and accounts receivable are exposed to the risk of financial loss occurring as a result of default of a counterparty on its obligations to the Company. The Company is also exposed, in the normal course of business, to credit risk from customer receivables. These amounts are continually monitored by management for collectability, and, in general, are lower risk as they are typically due from large commercial partners with very limited credit risk.

(v) Interest rate risk:

Interest risk is the impact that changes in interest rates could have on the Company's earnings and liabilities. The Company is exposed to variable interest rates as a result of its senior secured debt, which currently bears interest at the Canadian BA rate plus 3.0%. Given the historical variability in the BA rate, it is management's opinion that the Company is not currently exposed to significant interest rate risk.

15. Subsequent events

COVID-19

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "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. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Mimi's Rock Corp.
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(Expressed in Canadian dollars)

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New Operating Credit Facility

On June 26, 2020, the Company entered into an amendment to its Commitment Letter with its senior secured lender for the purposes of making available an additional borrowing facility for day-to day operational purposes and to manage any cashflow challenges presented by COVID-19. The new facility is available for a 12 month period, with any advanced funds bearing interest at bank prime plus 1% and is secured by a guarantee with Export Development Canada. The new facility is subject to certain conditions still to be satisfied and no funds were drawn as of the date of this report.