

WINSTON RESOURCES INC.
Condensed Interim Financial Statements
For the Three and Nine Months Ended April 30, 2020 and 2019

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Winston Resources Inc.**Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)**

As at	April 30, 2020	July 31, 2019
	(Unaudited)	(Audited)
ASSETS		
Current assets		
Cash	\$ 106,312	\$ 487,006
Prepaid expenses	-	3,183
GST recoverable	84,475	72,141
Total assets	\$ 190,787	\$ 562,330
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 130,418	\$ 130,333
Shareholders' equity		
Share capital (note 7)	11,626,320	11,626,320
Reserves (note 7)	2,331,049	2,331,049
Deficit	(13,897,000)	(13,525,372)
Total shareholders' equity	60,369	431,997
Total liabilities and shareholders' equity	\$ 190,787	\$ 562,330

Nature of Operations (note 1)

Going Concern Assumption (note 2)

Approved on behalf of the Board of Directors:

"Quinn Field-Dyte" (signed)
Quinn Field-Dyte, Director

"Richard Grieve" (signed)
Richard Grieve, Director

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

Winston Resources Inc.

Condensed Interim Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended April 30, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2020	2019	2020	2019
Operating expenses				
Advertising and promotion	\$ -	\$ -	\$ 275	\$ -
Bank service expenses	285	76	871	272
Consulting expenses (note 6)	59,750	19,750	260,050	86,620
Filing and listing fees	1,180	1,950	11,573	10,853
Office and rent expenses	5,812	13,008	10,948	29,137
Management fees (note 6)	10,000	-	16,000	-
Professional fees (recovery)	58,136	(23,677)	57,251	31,996
Shareholder information	-	1,526	-	1,526
Transfer agent fees	541	786	2,209	2,680
Travel expenses	1,708	873	11,031	4,423
	(137,412)	(14,292)	(370,208)	(167,507)
Other items				
Foreign exchange gain (loss)	59	11	(1,420)	11
Other expenses	-	(403)	-	(403)
	59	(392)	(1,420)	(392)
Net loss and comprehensive loss for the period	\$ (137,353)	\$ (14,684)	\$ (371,628)	\$ (167,899)
Basic and diluted loss per share (note 7)	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	25,133,840	25,133,840	25,133,840	25,133,840

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

Winston Resources Inc.

Condensed Interim Statements of Cash Flows

For the Three and Nine Months Ended April 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended April 30,	
	2020	2019
Operating activities		
Net loss for the period	\$ (371,628)	\$ (167,899)
Net changes in non-cash working capital:		
GST recoverable	(12,334)	(6,713)
Prepaid expenses	3,183	(1,500)
Accounts payable and accrued liabilities	85	(97,325)
Net cash used in operating activities	(380,694)	(273,437)
Investing activity		
Loan receivable	-	(1,500)
Net cash used in investing activity	-	(1,500)
Net change in cash	(380,694)	(274,937)
Cash, beginning of period	487,006	869,693
Cash, end of period	\$ 106,312	\$ 594,756

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Winston Resources Inc.

Condensed Interim Statements of Changes in Shareholders' Equity

For the Nine Months Ended April 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

	Common Share Capital		Preferred Share Capital	Subscription Receivable	Reserves			Accumulated Deficit	Total
	Number of Shares	Amount			Warrants	Contributed Surplus	Total Reserves		
Balance, July 31, 2018	25,133,840	\$10,984,476	\$671,844	\$(30,000)	\$1,820,049	\$ 511,000	\$2,331,049	\$(13,179,595)	\$ 777,774
Net loss for the period	-	-	-	-	-	-	-	(167,899)	(167,899)
Balance, April 30, 2019	25,133,840	\$10,984,476	\$671,844	\$(30,000)	\$1,820,049	\$ 511,000	\$2,331,049	\$(13,347,494)	\$ 609,875
Balance, July 31, 2019	25,133,840	\$10,984,476	\$671,844	\$(30,000)	\$ -	\$ 2,331,049	\$2,331,049	\$(13,525,372)	\$ 431,997
Net loss for the period	-	-	-	-	-	-	-	(371,628)	(371,628)
Balance, April 30, 2020	25,133,840	\$10,984,476	\$671,844	\$(30,000)	\$ -	\$ 2,331,049	\$2,331,049	\$(13,897,000)	\$ 60,369

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

Winston Resources Inc.

Notes to Condensed Interim Financial Statements

For the Three and Nine Months Ended April 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Operations

Winston Resources Inc. (“Winston” or the “Company”) is incorporated under the laws of the province of British Columbia. Winston was an exploration stage company engaged in the acquisition and exploration of mineral resource properties in Canada. As of April 30, 2020, the Company has entered into a binding letter agreement to effect a business combination with PlantX Life Inc. (note 8).

Winston is a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario whose common shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “WRW”. The head office of the Company is located at 400 - 837 West Hastings St., Vancouver, BC, V6C 3N6, Canada.

2. Going Concern Assumption

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards (“IFRS”). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, which casts significant doubt about the Company’s ability to continue as a going concern.

Management’s current strategy is careful cost control while pursuing opportunities within various market sectors. Management recognizes the Company’s need to increase its cash reserves if it intends to adhere to its plans and has evaluated its potential sources of funds. Although management intends to assess and act on these options throughout the course of the year, there can be no assurance that the steps management take will be successful.

In the event that cash flow from operations, together with the proceeds from any future financings are insufficient to cover planned expenditures, management will allocate available resources in such manner as deemed to be in the Company’s best interest. This may result in a significant reduction in the scope of existing and planned operations.

As at April 30, 2020, the Company has not generated any revenues from operations and has a deficit of \$13,897,000 (July 31, 2019 - \$13,525,372). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon its ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Accordingly, these condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim financial statements. These adjustments could be material.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. 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 ultimate geographic spread of the disease, and 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. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company’s business and financial condition.

Winston Resources Inc.

Notes to Condensed Interim Financial Statements

For the Three and Nine Months Ended April 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

3. Statement of Compliance and Basis of Presentation

(a) Statement of compliance

The unaudited condensed interim financial statements are 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 International Accounting Standards Board ("IASB"). The board of directors approved the condensed interim financial statements on June 29, 2020.

These condensed interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2019.

(b) Basis of presentation

These condensed interim financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be carried at fair value and have been prepared using the accrual basis of accounting, except for cash flow information.

4. Significant Accounting Policies

Future accounting pronouncements

There are no other IFRS or International Financial Reporting Interpretations Committee interpretation that are not yet effective that are expected to have a material impact on the Company's financial statements.

5. Accounts Payable and Accrued Liabilities

	As at April 30, 2020	As at July 31, 2019
Accounts payable (note 6)	\$ 130,418	\$ 120,133
Accrued liabilities	-	10,200
	\$ 130,418	\$ 130,333

6. Related Party Transactions and Disclosures

The following transactions occurred between related parties during the nine months ended April 30, 2020 and 2019:

	2020	2019
Management fees paid to a former director	\$ 6,000	\$ -
Consulting fees paid to a current director	3,000	-
Management fees paid to a company controlled by a director	10,000	-
Consulting fees paid to the CEO and directors	50,550	32,620
Consulting fees paid to companies controlled by directors	24,500	-
	\$ 94,050	\$ 32,620

Winston Resources Inc.

Notes to Condensed Interim Financial Statements

For the Three and Nine Months Ended April 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

6. Related Party Transactions and Disclosures (continued)

The following transactions occurred between related parties during the three months ended April 30, 2020 and 2019:

	2020		2019
Consulting fees paid to a current director	\$ 2,000	\$	-
Management fees paid to a company controlled by a director	10,000		-
Consulting fees paid to the CEO and directors	13,500		10,750
Consulting fees paid to companies controlled by directors	5,250		-
	\$ 30,750	\$	10,750

As at April 30, 2020, \$9,538 (July 31, 2019 - \$2,255) was payable to related parties and is included in accounts payable and accrued liabilities.

7. Share Capital and Reserves

Share capital

The Company's authorized share capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares without special rights or restrictions attached. A total of 671,844 preferred shares with a value of \$671,844 are issued and outstanding as of April 30, 2020.

There were no common and preferred shares issued during the nine months ended April 30, 2020 and year ended July 31, 2019.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three and nine months ended April 30, 2020 was based on the loss attributable to common shareholders of \$137,353 and \$371,628, respectively (three and nine months ended April 30, 2019 - \$14,684 and \$167,899, respectively) and the weighted average number of common shares outstanding of 25,133,840 (2019 - 25,133,840).

Stock options

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

There were no stock options outstanding as at April 30, 2020 and July 31, 2019.

Winston Resources Inc.

Notes to Condensed Interim Financial Statements

For the Three and Nine Months Ended April 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

7. Share Capital and Reserves (continued)

Warrants

There were no warrants outstanding as at April 30, 2020 and July 31, 2019.

8. Acquisition of PlantX Life Inc.

On March 27, 2020, the Company entered into a Share Exchange Agreement, which sets out the basic terms and conditions for the Acquisition by the Company of all of the issued and outstanding common shares in the capital of PlantX Life Inc. ("PlantX"), in exchange for common shares in the capital of the Company. The Acquisition will constitute a "fundamental change" for the Company pursuant to the rules and policies of the CSE.

The Acquisition is an arm's-length transaction. Upon successful completion of the Acquisition, the Company will change its name to "Vegaste Technologies Corp." and will continue the business of PlantX as furthered detailed below.

Pursuant to the terms of the Share Exchange Agreement and in consideration for the Acquisition, on closing thereof ("Closing"), the Company will issue an aggregate of 61,072,220 common shares in the capital of the Company (the "Payment Shares") to the holders of PlantX common shares at a deemed price of \$0.25 per Payment Share on a post-consolidated basis.

At Closing, all outstanding unexercised options to acquire PlantX common shares pursuant to outstanding PlantX options ("PlantX Options") will be cancelled. In consideration for such disposition, the holders of PlantX Options will receive the right (a "Replacement Option"), to acquire one common share in the capital of the Company (a "Common Share"). The exercise price under each Replacement Option will be equal to the exercise price at the time of Closing under the particular PlantX Option that was cancelled in consideration for such Replacement Option.

Prior to the Closing, the Company will consolidate its share capital on a ten (10) old shares for one (1) new share basis.

The Payment Shares will be subject to escrow conditions and/or resale restrictions as required by applicable securities laws and the policies of the CSE.

In connection with the Acquisition, the Company will also issue 6,000,000 Common Shares on a post-consolidated basis to an arm's length third party at a deemed price of \$0.25 per Common Share as a finder's fee.

Closing of the Acquisition remains subject to certain closing conditions, including, completion of the Offering (as defined below), obtaining all necessary approvals, including, approval of the CSE, and if applicable, shareholders of the Company. There can be no assurance that the Transaction will be completed as proposed or at all.

The Company also intends to complete a non-brokered private placement offering of not less than 6,000,000 Common Shares on a post-consolidated basis at a price of \$0.25 per Common Share for gross proceeds of not less than \$1,500,000 (the "Offering").

Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the CSE.

As of April 30, 2020 and June 29, 2020, the transaction has not yet closed.