

INTERLAPSE TECHNOLOGIES CORP.

(Formerly Coronado Resources Ltd.)

Condensed Consolidated Interim Financial Statements

Third Quarter ended November 30, 2019

Unaudited

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These consolidated interim financial statements of the Company for the period ending November 30, 2019 have been prepared by management and have not been subject to review by the Company's auditors.

INTERLAPSE TECHNOLOGIES CORP.*(Formerly Coronado Resources Ltd.)*

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	November 30, 2019	February 28, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 792,920	\$ 741,360
Amounts receivable	19,688	80,371
Loan receivable	-	100,000
Prepaid expenses	19,275	14,667
	831,883	936,398
Intangible assets (Note 3)	603,707	-
Property and equipment (Note 4)	4,139	-
Restricted cash	49,946	34,585
	\$ 1,489,675	\$ 970,983
Liabilities and Equity		
Current:		
Accounts payable and accrued liabilities	\$ 58,415	\$ 77,363
	58,415	77,363
Shareholders' equity		
Capital stock (Note 5(b))	21,446,581	20,277,801
Contributed surplus (Note 5(d))	1,858,666	1,657,109
Shares subscribed (Note 5(f))	350,000	-
Deficit	(22,223,987)	(21,041,290)
	1,431,260	893,620
	\$ 1,489,675	\$ 970,983

Nature of operations and going concern (Note 1)

Subsequent events (Note 10)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on January 29, 2020.

"Giuseppe (Pino) Perone"

.....Director

Giuseppe (Pino) Perone

"Ashley Garnot"

.....Director

Ashley Garnot

INTERLAPSE TECHNOLOGIES CORP.*(Formerly Coronado Resources Ltd.)*Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2019	2018	2019	2018
Revenue	\$ 19,649	\$ -	\$ 32,905	\$ -
General and administrative expenses				
Amortization of intangible assets	28,171	-	58,884	-
Amortization of property and equipment	5,813	-	6,246	-
Audit and accounting	1,155	4,500	25,213	11,816
Bank charges	4,710	65	9,774	363
Business development	416	75,000	123,241	245,176
Consulting and milestone fees	67,624	-	193,724	-
Director fees	500	250	1,000	1,000
Insurance	971	2,000	4,971	6,000
Legal	35,321	45,421	148,232	55,782
Management fees	6,099	8,424	54,387	24,374
Marketing	26,636	-	97,585	-
Office and administration	1,107	2	2,945	1,060
Office rent	19,051	-	38,645	-
Platform administration	34,877	-	51,563	-
Research and development	3,837	-	8,843	-
Salaries and benefits	28,128	-	57,255	-
Share-based compensation	84,326	-	201,557	-
Shareholder relations	7,850	33,478	15,546	120,760
Transfer and filing fees	56,155	24,708	109,822	43,533
Travel and entertainment	3,807	5,656	14,953	5,656
	(416,554)	(199,504)	(1,224,386)	(515,520)
Other items				
Foreign exchange	(256)	534	(245)	2,052
Interest and accretion income	2,484	3,758	9,029	11,723
Loss on sale of marketable securities	-	(18,070)	-	(31,115)
	2,228	(13,778)	8,784	(17,340)
Net loss and comprehensive loss for the period	\$ (394,677)	\$ (213,282)	\$ (1,182,697)	\$ (532,860)
Loss per share, basic and diluted	\$ (0.02)	\$ (0.02)	\$ (0.07)	\$ (0.04)
Weighted average number of common shares outstanding	17,519,051	12,925,644	16,004,408	12,925,644

See accompanying notes.

INTERLAPSE TECHNOLOGIES CORP.*(Formerly Coronado Resources Ltd.)*Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

For the nine months ended November 30,	2019	2018
Operating activities		
Net loss for the period	\$ (1,182,697)	\$ (532,860)
Items not involving cash:		
Amortization of intangible assets	58,884	-
Amortization of property and equipment	6,246	-
Accrued interest on loans receivable	(13,913)	-
Milestone shares	78,600	-
Interest and accretion	(283)	(2,319)
Loss on sales of marketable securities	-	31,115
Share-based compensation	201,557	-
	(851,606)	(504,064)
Changes non-cash working capital:		
Amounts receivable	61,598	(153,975)
Prepaid expenses	16,147	(12,000)
Accounts payable and accrued liabilities	(35,711)	7,144
	42,034	(158,831)
Cash used in operating activities	(809,572)	(662,895)
Financing activities		
Cash received for shares subscribed	350,000	-
Cash received by private placement	1,105,000	-
Share issued costs	(14,820)	-
Cash provided by financing activities	1,440,180	-
Investing activities		
Acquisition of intangible assets	(528,419)	-
Capitalize of intangible assets	(95,263)	-
Purchase of property and equipment	(1,753)	-
Cash acquired on acquisition of Skyrun	56,387	-
Proceeds on sales of marketable securities	-	65,880
Restricted cash	(10,000)	-
Cash (used in) provided by investing activities	(579,048)	65,880
Net inflow (outflow) of cash and cash equivalents	51,560	(597,015)
Cash and cash equivalents, beginning of period	741,360	1,479,901
Cash and cash equivalents, end of period	\$ 792,920	\$ 882,886
Supplementary disclosures:		
Interest received	\$ 8,746	\$ 9,149
Cash	\$ 528,784	\$ 45,348
Short-term deposits	264,136	837,538
	\$ 792,920	\$ 882,886

Non-Cash Investing Activities:

The Company incurred \$9,185 in intangible expenditures which were in accounts payable at November 30, 2019 (2018: \$Nil).

See accompanying notes.

INTERLAPSE TECHNOLOGIES CORP.*(Formerly Coronado Resources Ltd.)*

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Common Shares		Shares Subscribed	Contributed surplus	Deficit	Total
	Number ⁽¹⁾	Amount				
Balance, March 1, 2019	12,925,644	\$20,277,801	\$ -	\$1,657,109	\$ (21,041,290)	\$ 893,620
Share-based payments	-	-	-	201,557	-	201,557
Milestone shares	180,000	78,600	-	-	-	78,600
Private placement – net of share issue costs	4,420,000	1,090,180	-	-	-	1,090,180
Shares subscribed	-	-	350,000	-	-	350,000
Net loss for period	-	-	-	-	(1,182,697)	(1,182,697)
Balance, November 30, 2019	17,525,644	\$21,446,581	\$ 350,000	\$1,858,666	\$ (22,223,987)	\$1,081,260
Balance, March 1, 2018	12,925,644	\$20,277,801	\$ -	\$1,657,109	\$ (20,327,719)	\$1,607,191
Net loss for period	-	-	-	-	(532,860)	(532,860)
Balance, November 30, 2018	12,925,644	\$20,277,801	\$ -	\$1,657,109	\$ (20,860,579)	\$1,074,331

(1) On August 23, 2019, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

See accompanying notes.

INTERLAPSE TECHNOLOGIES CORP.

(Formerly Coronado Resources Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Month Period Ended November 30, 2019

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Interlapse Technologies Corp. (formerly Coronado Resources Ltd.) (the “Company” or “Interlapse”) is incorporated under the *Business Corporations Act* (British Columbia). Interlapse is a technology company that is focused on developing various web-based platforms, solutions and applications used to further advance the development of coincurve.com and planned international expansion. The Company’s common shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “INLA” and on the OTCQB market under the symbol “INLAF”.

On May 28, 2019, the TSX-V provided final approval for the Company’s acquisition of Skyrun Technology Corp (“Skyrun”) and change of business to a technology issuer. To reflect the transformation into the technology sector, the Company changed its name to “Interlapse Technologies Corp.”

There is no assurance that the development of coincurve.com and planned international expansion will result in future profitable operations. The business is subject to risk, market conditions, supply and demand, and competition. The Company currently has cash available to meet its administrative overhead and maintain its assets. The recoverability of amounts shown in assets is dependent on several factors. These factors include the ability of the Company to obtain financing to complete the planned international expansion, and future cashflow from the Company’s business.

However, there can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance and basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended February 28, 2019, which have been prepared in accordance with IFRS issued by the IASB.

The accounting policies applied by the Company in the condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements for the year ended February 28, 2019.

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Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Month Period Ended November 30, 2019

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed consolidated interim 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 and contingent liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management judgements, estimates and assumptions include:

- The determination of the useful life of the coincurve.com platform.
- The assessment of whether certain factors (both internal and external) would be considered an indicator of impairment and whether impairment testing is required on the intangible assets.
- The determination that the Company will continue as a going concern for the next year.

There are no other IFRS or International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are not yet effective that are expected to have a material impact on the Company.

(c) Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned integrated subsidiaries.

The Company's subsidiaries are:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Coronado Resources USA LLC	USA	100%	Holding Company
Skyrun Technology Corp.	Canada	100%	Technology
0980862 B.C. Ltd. (formerly Lynx Clean Power Corp.)	Canada	100%	Holding Company
0997680 B.C. Ltd. (formerly Lynx Gold Corp.)	Canada	100%	Holding Company
0997684 B.C. Ltd. (formerly Lynx Petroleum Ltd.)	Canada	100%	Holding Company

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(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Intangible assets

Intangible assets consist of the Company's virtual currency software platform, coincurve.com, which was acquired in May of 2019 (see Note 8).

Intangible assets acquired separately are initially recognized at cost. The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date that the Company can demonstrate all of the following: i) the technical feasibility of completing the intangible assets so that it will be available for use or sale; ii) its intention to complete the intangible asset and use or sell it; iii) its ability to use or sell the intangible asset; iv) how the intangible asset will generate probable future economic benefits; v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development. Until these criteria are met, expenditures are expensed as incurred. Costs incurred during the operating stage of the platform relating to upgrades and enhancements are capitalized to the extent that they result in the extended life of the product.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any.

The accounting for an intangible asset is based on its useful life. Intangible assets with a finite useful life are amortized over their estimated useful life. Intangible assets with an indefinite useful life are not amortized. Intangible assets under development which are not ready for use are not amortized. The amortization method, estimated useful life, carrying value and residual value are reviewed each financial year-end or more frequently if required, and are adjusted as appropriate.

The platform was assessed as having a useful life of five years based on management's estimate.

(e) Revenue recognition

IFRS 15 *Revenue from Contracts with Customers* provides a five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. The five steps are to identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied.

The Company's revenue consists of service fees earned from customers that use the platform. Revenue is recognized when it is probable that the economic benefits will flow to the Company, delivery of the service has occurred, and collectability is reasonably assured.

(f) Adoption of new and revised accounting standards

Leases

On March 1, 2019, the Company adopted the provisions of IFRS 16, *Leases* ("IFRS 16") using the modified retrospective approach. Accordingly, comparative information has not been restated.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either: (a) the Company has the right to operate the asset; or (b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

If the contract contains a lease, a right-of-use asset and a corresponding lease liability are set-up at the date at which the leased asset is available for use by the Company. The lease payments are discounted using either the interest rate implicit in the lease, if available, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and the finance cost so as to produce a constant rate of interest on the remaining lease liability balance. The Company accounts for the lease and non-lease components separately. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis

The Company uses the following practical expedients permitted by the standard: a) low value leases and leases with a term of less than 12 months remaining at January 1, 2019 have been accounted for as short-term leases; and c) initial direct costs for the measurement of the right-of-use asset at the date of initial application have been excluded.

The Company has determined that these standards have had no impact on its financial statements.

3. INTAGIBLE ASSETS

	Total
Cost	
At February 28, 2018	\$ -
Addition	-
At February 28, 2019	-
Asset acquisition	563,506
Addition	104,449
At November 30, 2019	\$ 667,955
Accumulated depreciation	
At February 28, 2018	\$ -
Depreciation	-
At February 28, 2019	-
Depreciation	(64,248)
At November 30, 2019	\$ (64,248)
Net book value	
February 28, 2019	\$ -
November 30, 2019	\$ 603,707

INTERLAPSE TECHNOLOGIES CORP.

(Formerly Coronado Resources Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Month Period Ended November 30, 2019

(Unaudited - Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Computer Equipment	Total
Cost		
At February 28, 2018	\$ -	\$ -
Addition	-	-
At February 28, 2019	-	-
Asset acquisition	3,269	3,269
Addition	1,753	1,753
At November 30, 2019	\$ 5,022	\$ 5,022
Accumulated depreciation		
At February 28, 2018	\$ -	\$ -
Depreciation	-	-
At February 28, 2019	-	-
Depreciation	(883)	(883)
At November 30, 2019	\$ (883)	\$ (883)
Net book value		
February 28, 2019	\$ -	\$ -
November 30, 2019	\$ 4,139	\$ 4,139

5. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the period ended November 30, 2019:

On May 28, 2019, the Company completed a non-brokered private placement of 4,420,000 common shares at \$0.25 per share for gross proceeds of \$1,105,000.

On August 29, 2019, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

On June 19, 2019, the Company issued 120,000 shares to two officers of the Company at a price of \$0.425 per share in accordance with the terms of the agreement to purchase Skyrun.

On September 10, 2019, the Company issued 60,000 shares to two officers of the Company at a price of \$0.46 per share in accordance with the terms of the agreement to purchase Skyrun.

See also Notes 6 and 8.

During the year ended February 28, 2019:

No common shares were issued.

On August 20, 2018, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

INTERLAPSE TECHNOLOGIES CORP.

(Formerly Coronado Resources Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Month Period Ended November 30, 2019

(Unaudited - Expressed in Canadian Dollars)

5. CAPITAL STOCK (Continued)

(c) Incentive share options

The Company has a stock option plan (the "Plan") allowing for the reservation of common shares issuable under the Plan to a maximum 10% of the number of issued and outstanding common shares of the Company at any given time. The term of any stock option granted under the Plan may not exceed five years and the exercise price may not be less than the discounted market price on the grant date. Unless otherwise specified by the Board of Directors at the time of granting an option, and subject to other term limits on option grants set out in the Plan, all options must vest over a minimum of two years, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one quarter of the options vesting in any three-month period.

The purpose of the Plan is to provide directors, officers, key employees and certain other persons who provided services to the Company and its subsidiaries with an increased incentive to contribute to the future success and prosperity of the Company.

On May 28, 2019, the Company granted 810,000 incentive stock options to various directors, executive officers, employees and consultants. These options are exercisable until May 28, 2024, at a price of \$0.35 per share subject to one-quarter of the total options vesting six months from the grant date, one-quarter of the total options vesting one year from the date of the grant, one-quarter of the total options vesting one and a half years from the grant date and one-quarter of the total options vesting two years from the date of the grant.

On May 28, 2019, the Company granted 600,000 incentive stock options to various directors, executive officers, employees and consultants. These options are exercisable until May 28, 2024, at a price of \$0.35 per share subject to one-third of the total options vesting six months from the grant date, one-third of the total options vesting one year from the date of the grant and one-third of the total options vesting one and a half years from the grant date.

On July 24, 2019, the Company granted 100,000 incentive stock options to a consultant. These options are exercisable until July 24, 2024, at a price of \$0.35 per share subject to one-third of the total options vesting six months from the grant date, one-third of the total options vesting one year from the date of the grant and one-third of the total options vesting one and a half years from the grant date.

The following is a continuity of outstanding share options:

	Number of Options	Weight Average Price per Share
Balance at February 28, 2018	-	\$ -
Granted during the year	-	-
Balance at February 28, 2019	-	\$ -
Granted during the period	1,510,000	0.35
Balance at November 30, 2019	1,510,000	\$ 0.35

INTERLAPSE TECHNOLOGIES CORP.

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Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Month Period Ended November 30, 2019

(Unaudited - Expressed in Canadian Dollars)

5. CAPITAL STOCK (Continued)

The following summarizes information about share options that are outstanding at November 30, 2019:

Number of Options	Price per Share	Expiry Date	Options Exercisable
810,000	\$0.35	May 28, 2024	270,000
600,000	\$0.35	May 28, 2024	200,000
100,000	\$0.35	July 24, 2024	-
1,510,000			470,000

As at November 30, 2019, the weighted average contractual remaining life is 4.50 years.

(d) Share-based compensation

During the nine months ended November 30, 2019, the Company granted 1,510,000 share options and recorded compensation expense of \$201,557. The weighted average fair value of all share options granted during the period, using the Black-Scholes option pricing model, was \$0.2683 per option.

The following assumptions were used for the Black-Scholes option pricing model calculations:

	May 28, 2019	July 24, 2019
Risk-free interest rate	1.34%	1.33%
Expected stock price volatility	123.23%	131.29%
Expected option life in years	5 years	5 years
Dividend rate	Nil	Nil

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

(e) Share purchase warrants

The following is a continuity of outstanding share purchase warrants:

	Number of Warrants	Average Price per Share
Balance at February 28, 2018	1,600,000	\$ 0.125
Expired during the year	(1,600,000)	0.125
Balance at February 28, 2019	-	\$ -
Granted during the period	-	-
Balance at November 30, 2019	-	\$ -

(f) Shares subscribed

On November 26, 2019, the Company announced a non-brokered private placement of 7,500,000 common shares at \$0.10 per share for gross proceeds of \$750,000. As of November 30, 2019, the Company had received \$350,000 of the proceeds. Refer to note 10.

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6. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	November 30, 2019	November 30, 2018
Business development	\$ 75,000	\$ -
Consulting	90,000	-
Director fees	1,000	1,000
Share-based compensation	82,168	-
	\$ 248,168	\$ 1,000

During the nine month period ended November 30, 2019, the Company was charged \$53,641 (2018 - \$24,374) by a Canadian related company with similar key management personnel for management fees. At November 30, 2019, \$24,115 (2018 - \$8,256) is owing to the Canadian related company with similar key management personnel and is included in accounts payable and accrued liabilities.

See also Note 5(b).

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. FINANCIAL INSTRUMENTS RISK

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

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

Cash and cash equivalents consist of cash bank balances and short-term deposits. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As at November 30, 2019, there were no significant amounts past due or impaired.

Market Risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchases and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

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(Unaudited - Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS RISK (Continued)

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity, the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

Foreign Exchange Risk

The Company currently does not have significant exposure to other currencies, but this may change in the foreseeable future as the capital commitments that are expected to be carried out in United States dollars and Philippine pesos will increase.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value classification of the Company's financial instruments are as follows:

		November 30, 2019		February 28, 2019	
	Fair Value Level	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost
		\$	\$	\$	\$
<i>Financial assets:</i>					
Cash and cash equivalents	1	792,920	-	741,360	-
Amounts receivable		-	2,824	-	74,875
Loan receivable		-	-	-	100,000
Restricted cash		-	49,946	-	34,585
		792,920	52,770	741,360	209,460
<i>Financial liability:</i>					
Accounts payable and accrued liabilities		-	58,415	-	77,363
		-	58,415	-	77,363

The Company's cash and cash equivalents are classified as level 1. During the nine month period ended November 30, 2019 and the year ended February 28, 2019, there were no transfers between level 1, level 2 and level 3.

INTERLAPSE TECHNOLOGIES CORP.

(Formerly Coronado Resources Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Month Period Ended November 30, 2019

(Unaudited - Expressed in Canadian Dollars)

8. ACQUISITION OF SKYRUN TECHNOLOGY CORP

On August 28, 2018, the Company entered into a binding share purchase agreement to acquire 100% of the outstanding common shares of Skyrun, a Vancouver-based company developing a virtual currency platform, coincurve.com. Under the terms of the share purchase agreement, the Company will acquire 100% of the issued and outstanding shares of Skyrun at closing in exchange for granting the principals of Skyrun, Wayne Chen and Rod Hsu, the right to earn up to 1,320,000 common shares of the Company when certain milestones are reached that are linked directly to the development, operations and overall success of the Company.

On May 28, 2019, the TSX-V provided final approval for the Skyrun acquisition and change of business to a technology issuer.

The condensed consolidated interim financial statements for the period ended November 30, 2019 reflect the assets, liabilities and results of operations of the Company and Skyrun since May 28, 2019 being the date on which the Company formally became the sole shareholder.

The transaction has been accounted for using the acquisition method and the allocation of the purchase price to the assets acquired and liabilities assumed is based on estimated fair values at the time of acquisition.

The allocation of the purchase price to the estimated fair value of the assets and liabilities of Skyrun is as follows:

	Total
Purchase price:	
Cash	\$ 100
Estimated fair values of assets and liabilities acquired:	
Cash acquired	\$ 56,387
Restricted cash	5,078
Amounts receivable	915
Prepaid expenses	20,755
Equipment	3,269
Intangible assets	563,506
Total assets acquired	649,910
Accounts payable and accrued liabilities	7,478
Loan payable	642,332
Total liabilities acquired	649,810
November 30, 2019	\$ 100

INTERLAPSE TECHNOLOGIES CORP.

(Formerly Coronado Resources Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Month Period Ended November 30, 2019

(Unaudited - Expressed in Canadian Dollars)

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future development of the business and maintaining investor, creditor and market confidence.

The Company defines its capital as shareholders' equity and working capital. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the event that adjustments to the capital structure are required, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements or restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated. The Company may require equity issues to cover administrative and operating cost.

10. SUBSEQUENT EVENTS

On December 20, 2019, the Company completed a non-brokered private placement of 7,500,000 common shares at \$0.10 per share for gross proceeds of \$750,000.