



Platinex Inc.

Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

Expressed in Canadian Dollars

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Platinex Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Platinex Inc.
Condensed Interim Consolidated Statement of Financial Position
Unaudited - Expressed in Canadian Dollars

	As at March 31, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash	\$ 8,037	\$ 1,154
HST receivable	52,969	52,970
Prepaid expenses	9,040	10,650
Total current assets	70,046	64,774
Non-current assets		
Exploration and evaluation assets (note 3)	1	1
Equipment	858	961
Total non-current assets	859	962
Total assets	\$ 70,905	\$ 65,736
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 570,614	\$ 549,712
Total liabilities	570,614	549,712
Shareholders' deficiency		
Share capital (note 4)	8,294,886	8,272,886
Share warrant reserve (note 5)	601,391	590,391
Contributed surplus (note 6)	1,275,749	1,326,806
Accumulated deficit	(10,671,735)	(10,674,059)
Total shareholders' deficiency	(499,709)	(483,976)
Total liabilities and shareholders' deficiency	\$ 70,905	\$ 65,736

Nature of operations and going concern (note 1)
 Commitments and contingencies (note 9)
 Subsequent event (note 10)

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

Platinex Inc.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
(Unaudited) - Expressed in Canadian Dollars

	Three Months Ended March 31,	
	2020	2019
Expenses		
Professional fees (note 7)	\$ 12,661	\$ 29,512
Consulting fees	4,571	-
Depreciation	103	103
Management fees and salaries (note 7)	20,250	10,320
Office and general	4,734	2,296
Rent (note 7)	1,500	2,000
Regulatory and transfer agent fees	4,914	2,497
Net loss and comprehensive loss for the period	\$ (48,733)	\$ (46,728)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	102,122,619	97,921,595

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

Platinex Inc.
Condensed Interim Consolidated Statement of Cash Flows
(Unaudited) - Expressed in Canadian Dollars

Three Months Ended
March 31,
2020 2019

Operating activities

Net loss for the period	\$	(48,733)	\$	(46,728)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation		103		103
Changes in non-cash working capital items:				
HST receivable		1		2,384
Prepaid expenses		1,610		-
Accounts payable and accrued liabilities		20,902		39,444
Net cash used in operating activities		(26,117)		(4,797)

Investing activities

Expenditures for exploration and evaluation assets	-		-	(209)
Net cash used in investing activities		-		(209)

Financing activities

Proceeds from common shares issued	33,000		-	
Net cash provided by financing activities		33,000		-

Net change in cash	6,883	(5,006)		
Cash, beginning of period	1,154	13,797		
Cash, end of period	\$ 8,037	\$ 8,791		

Supplemental information

Common shares issued for exploration and evaluation assets	\$	-	\$	36,000
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Platinex Inc.

Condensed Interim Consolidated Statement of Changes in Shareholders' Deficiency
(Unaudited) - Expressed in Canadian Dollars

	Share Capital	Share Warrant Reserve	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2018	\$ 8,165,219	\$ 557,058	\$ 1,306,406	\$ (10,217,291)	\$ (188,608)
Net loss for the period	-	-	-	(46,728)	(46,728)
Common shares issued for exploration and evaluation assets (note 4(b))	36,000	-	-	-	36,000
Balance, March 31, 2019	\$ 8,201,219	\$ 557,058	\$ 1,306,406	\$ (10,264,019)	\$ (199,336)
Balance, December 31, 2019	\$ 8,272,886	\$ 590,391	\$ 1,326,806	\$ (10,674,059)	\$ (483,976)
Net loss for the period	-	-	-	(48,733)	(48,733)
Common shares issued for cash (note 4(b))	22,000	11,000	-	-	33,000
Expiry of stock options	-	-	(51,057)	51,057	-
Balance, March 31, 2020	\$ 8,294,886	\$ 601,391	\$ 1,275,749	\$ (10,671,735)	\$ (499,709)

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

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2020
(Unaudited) - Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

Platinex Inc., which together with its subsidiaries is collectively referred to as the "Company" or "Platinex", is a Canadian company whose business activity is the exploration and evaluation of mineral properties in Canada. Platinex was incorporated under the Ontario Business Corporations Act on August 12, 1998.

Until March 22, 2017, the Company was listed on the TSX Venture Exchange, having the symbol PTX-V, as a Tier 2 mining issuer. Effective March 23, 2017, the Company is listed on the Canadian Securities Exchange, having the symbol PTX. The address of the Company's corporate office and principal place of business is 807-20 William Roe Blvd., Newmarket, Ontario, L3Y 5V8, Canada.

These unaudited condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on June 30, 2020.

For the three months ended March 31, 2020, the Company generated a net loss of \$48,733 (three months ended March 31, 2019 - \$46,728), has an accumulated deficit of \$10,671,735 as at March 31, 2020 (December 31, 2019 - \$10,674,059) and has negative cash flow from operations amounting to \$26,117 for (three months ended March 31, 2019 - \$4,797).

Management estimates that the funds available as at March 31, 2020 may not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2020. The Company will have to raise additional funds to continue operations. The Company is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Company will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of new debt and equity.

Although these unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances are material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

Basis of Presentation and Measurement

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and under the historical cost method, except for certain financial instruments measured at fair value.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2019 and December 31, 2018 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods adopted are consistent with those disclosed in the Company's consolidated financial statements for the years ended December 31, 2019 and 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unaudited condensed interim consolidated financial statements are disclosed in the Company's consolidated financial statements as at and for the years ended December 31, 2019 and 2018.

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2020
(Unaudited) - Expressed in Canadian Dollars

2. BASIS OF PREPARATION (continued)

New accounting policies

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements.

3. EXPLORATION AND EVALUATION ASSETS

	Shining Tree
Balance at December 31, 2018	\$ 35,000
Option payment - cash	28,000
Option payment - shares	36,000
Royalty payment received	(25,000)
Exploration costs	22,724
Impairment	(96,723)
Balance at December 31, 2019 and March 31, 2020	\$ 1

Shining Tree Property, Ontario

In 2011, the Company vested an option agreement with Skead Holdings Ltd. ("Skead"), with respect to 139 claim units (5,680 acres or 2,299 ha), situated in Churchill, MacMurchy and Asquith Townships in Ontario (the "Shining Tree property"). In March, 2018, the Company settled a cumulative overdue advance royalty payment by issuance of 292,307 common shares to Skead in connection with the Shining Tree property. The settlement comprised an aggregate amount of \$73,000, which included a \$35,000 cash payment. The Company now holds a 100% interest in the claims subject to a 3% NSR and advance royalty payments of \$10,000 per year commencing in April 2019. Skead has agreed to defer payment of the April 2019 advance royalty payments.

Further Platinex may eliminate the requirement for future advance royalty payments by making a one-time advance royalty payment of \$100,000. Two thirds of the 3% NSR may be reduced by payment of: \$75,000 for each one-quarter percent for the first one-half percent; \$150,000 for each one-quarter percent for the second one-half percent; \$250,000 for each one-quarter percent for the third one-half per cent, and; \$400,000 for each one-quarter percent for the final one-half percent (\$1.75 million in aggregate). If Skead wishes to sell the residual royalty interest the Company retains a right of first refusal to purchase the NSR. On May 10, 2012, the Company acquired a lease (40 acres, 16 ha) from Gary John McBride for 200,000 shares of the Company. The lease is central to the Shining Tree property.

Platinex Inc.
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Three Months Ended March 31, 2020
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3. EXPLORATION AND EVALUATION ASSETS (Continued)

Shining Tree Property, Ontario (continued)

The Company entered into two agreements in August 2016 and a further five agreements in November, 2016, January, 2017, March, 2017, April, 2017 and June 2017 and staked claims in December, 2016 which significantly expand the size and potential of its Shining Tree gold property. Platinex has entered into an option agreement with Skead and Ashley Gold Mines Limited, with respect to certain claims situated in Churchill, MacMurphy and Asquith Townships, in Ontario. Platinex has the right to acquire a 100% interest in the 54 claim units and a 50% interest in a further 8 claim units (991 ha or 2,480 acres), subject to a 2% NSR, by issuing 200,000 shares of Platinex (issued in 2016), and by making cash payments (or share equivalent) of \$95,000 and by incurring property expenditures of \$500,000 during the ensuing four-year period to August 17, 2020. The option is currently in arrears by \$25,000. Platinex also entered into an agreement with two prospectors to purchase a 100% interest in four claims comprising 20 claim units (320 ha or 800 acres) in Churchill, MacMurphy and Asquith Townships, in Ontario by issuing 400,000 shares of Platinex (issued in 2016). Platinex subsequently entered into five agreements with one prospector to purchase a 100% interest in: ten claims comprising 70 claim units (1,120 ha or 2,800 acres) for 398,000 shares on November 3, 2016 (issued in 2016); four claims comprising 43 claim units (688 ha. or 1,720 acres) for 71,429 shares on January 25, 2017; eight claims comprising 96 claim units (1,536 ha or 3,840 acres) for 86,705 shares on March 30, 2017; 21 claims comprising 267 claim units (4,272 ha or 10,680 acres) for 391,250 shares on April 20, 2017 and 9 claims comprising 127 claim units (2,032 ha or 5,080 acres) for \$5,000 and 436,190 shares on June 20, 2017. Platinex also staked claims comprising 45 claim units (720 ha or 1,800 acres). Six claim units were subsequently included in the Skead Agreement. On December 12, 2017, the Company issued 138,888 shares to Skead and Ashley Gold Mines Limited to satisfy a portion of a \$25,000 option payment on the Skead-Ashley option.

In January and March 2019, the following amendments were made to option agreement with Skead and Ashley Gold Mines Limited:

- (i) The \$25,000 option in arrears was increased to \$30,000 and due on January 18, 2019 through the issuance of shares;
- (ii) Final option payment of \$30,000 (payable in cash) due August 1, 2019; (amended see below)
- (iii) Year 3 expenditures of \$150,000 due on or before August 17, 2020; (amended see below)
- (iv) Year 4 expenditures of \$200,000 due on or before August 17, 2021. (amended see below)

On April 12, 2019, the Company closed a transaction for the assignment of its ownership rights, under an option agreement with Skead and Ashley Gold Mines Limited with respect to a 50% interest in claim L4212960, to Goldeye Explorations Ltd., a subsidiary of Treasury Metals Inc. The terms include proceeds of \$25,000 received in cash and a 1% NSR royalty on 50% of the claim. The residual requirements of Platinex under the Skead-Ashley option were accordingly amended to:

- (i) Final option payment of \$28,000 (paid);
- (ii) Year 3 expenditures of \$140,000 due on or before August 17, 2020;
- (iii) Year 4 expenditures of \$186,667 due on or before August 17, 2021.

On October 28, 2019, the Company announced that it had entered into two Letters of Intent to acquire two prospective claim groups adjoining its Shining Tree property in Churchill and MacMurphy Townships, Ontario.

The first Letter of Intent ('LOI') with Skead is with respect to 19 cell claims and one fractional claim. It is intended to include these claims in an existing royalty agreement (3% NSR) with Skead and to provide Skead with staking costs of approximately \$1,000. The LOI also calls for the inclusion of two legacy claims held solely by Platinex in the Skead royalty agreement. The arrangement is intended to be concluded upon Platinex completing a financing which is currently in progress.

Platinex Inc.
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(Unaudited) - Expressed in Canadian Dollars

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Shining Tree Property, Ontario (continued)

The second LOI with a partnership represented by Joe B. Hinzer involves 8 cell claims in Churchill Township. This LOI contemplates entering into a definitive agreement to acquire 100% interest in the Dirks-Hinzer Property subject to an agreed royalty, reimbursement for past exploration and completion of a favourable due diligence by Platinex. The transaction is to be completed after Platinex completes a financing currently in progress and, at Platinex's option, may be paid in Platinex common shares.

On March 11, 2020, the Company and Treasury Metals Inc. ("Treasury") entered into a non-binding heads of agreement between the two companies (the "Transaction"):

- a) Treasury will transfer a 100% interest in its 280 claim unit 5,045 Ha. (12,466 ac.) Shining Tree Fawcett East property (the "Shining Tree East Property") to Platinex, to create the largest combined gold focused property package in the Shining Tree District, Northern Ontario (the "Shining Tree Property"). The Shining Tree Property is located on 21km of the Tyrrell-Ridout Deformation Zone which also hosts both IAMGOLD's Côté Lake gold deposit and Pan American's Juby deposit;
- b) Treasury will transfer to Platinex royalties comprising four Ontario and Chile based exploration projects covering gold, PGM's and base metal opportunities (the "Royalties") to enhance Platinex's existing royalty portfolio;
- c) In consideration for acquiring the Shining Tree East Property and the Royalties, Platinex will issue to Treasury 12,500,000 common shares ("Consideration Shares") of Platinex and 5,000,000 non-transferable common share purchase warrants ("Consideration Warrants") of Platinex. Each Consideration Warrant will be exercisable at a price of \$0.05 per share for a period of three years from the date of issuance, provided that if the closing price of the common shares of Platinex ("Platinex Shares") is equal to or greater than \$0.30 for a period of 20 consecutive trading days, Platinex will have the right to increase the exercise price of the Consideration Warrants by giving a written notice to Treasury that the exercise price shall be increased to \$0.15 per share on the date that is 10 days from the date of such notice. In addition, Treasury shall not exercise the Consideration Warrants if such exercise would result in Treasury owning 20% or more of the issued and outstanding Platinex Shares;
- d) Treasury will contribute operational efficiencies between the two companies with a view to provide effective management going forward to advance the Shining Tree Property;
- e) Treasury will undertake to support Platinex's management for a two-year period in shareholder votes;
- f) Platinex will grant Treasury a first right of refusal to participate in further financings of Platinex shares for a period of two years to maintain its percentage interest; and
- g) Treasury will have the right to appoint a nominee to the board of directors of Platinex.

Completion of the Transaction is subject to further due diligence and the parties entering into a formal agreement.

4. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares.
- b) Issued:

	Number of common shares	Amount
Balance, December 31, 2018	97,481,595	\$ 8,165,219
Common share issuances (i)	600,000	36,000
Balance, March 31, 2019	98,081,595	\$ 8,201,219

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2020
(Unaudited) - Expressed in Canadian Dollars

4. SHARE CAPITAL (continued)

b) Issued: (continued)

	Number of common shares	Amount
Balance, December 31, 2019	101,514,927	\$ 8,272,886
Common share issuances (ii) (iii)	1,100,000	33,000
Warrants valuation (ii) (iii)	-	(11,000)
Balance, March 31, 2020	102,614,927	\$ 8,294,886

For the three months ended March 31, 2019

- (i) On January 24, 2019, Platinex issued 600,000 common shares (valued at \$36,000) to satisfy a required payment to maintain the Company's interest in the Shining Tree property.

For the three months ended March 31, 2020

- (ii) On January 28, 2020, the Company completed a second interim closing of its non-brokered private placement of 700,000 Units for aggregate gross proceeds of \$21,000. Each Unit consisted of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.075 for a period of 24 months from issuance. All securities issued as part of the private placement will be subject to a four month and one day hold period.

The Warrants issued were assigned an aggregate fair value of \$7,000 using the Black-Scholes valuation model, using the relative method, with the following assumptions: dividend yield 0%, expected volatility 164%, risk-free rate of return 1.48% and expected life of 2 years.

- (iii) On March 3, 2020, the Company completed a third interim closing of its non-brokered private placement of 400,000 Units for aggregate gross proceeds of \$12,000. Each Unit consisted of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.075 for a period of 24 months from issuance. All securities issued as part of the private placement will be subject to a four month and one day hold period.

The Warrants issued were assigned an aggregate fair value of \$4,000 using the Black-Scholes valuation model, using the relative method, with the following assumptions: dividend yield 0%, expected volatility 152%, risk-free rate of return 0.97% and expected life of 2 years.

- c) Commitment to issue shares:

During the year ended December 31, 2018, the Company entered into an agreement to settle \$74,310 of consulting fees in common shares of the Company. The amount is included in accounts payable and accrued liabilities as at March 31, 2020.

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2020
(Unaudited) - Expressed in Canadian Dollars

5. WARRANTS

The following table reflects the continuity of warrants for the periods ended March 31, 2020 and 2019:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2018 and March 31, 2019	21,271,500	0.15
Balance, December 31, 2019	24,604,832	0.14
Granted (note 4(ii)(iii))	1,100,000	0.075
Balance, March 31, 2020	25,704,832	0.14

The following table reflects the warrants issued and outstanding as of March 31, 2020:

Date of Expiry	Number of warrants outstanding	Exercise price (\$)
June 28, 2021	4,583,000	0.10
August 26, 2021	3,333,332	0.075
November 15, 2021	12,000,000	0.15
November 25, 2021	3,938,500	0.20
January 28, 2022	700,000	0.075
March 3, 2022	400,000	0.075
January 9, 2023	750,000	0.24
	25,704,832	0.14

6. STOCK OPTIONS

In October 2005, the Company's Board of Directors approved a stock option plan. Under the terms of the Company's stock option plan, a maximum of 10% of the issued and outstanding common shares are reserved for issuance to the Company's directors, officers, employees and eligible consultants. The stock option plan was approved by the Company's non-participatory shareholders on May 24, 2006 and is re-approved each successive year at the Annual General Meeting.

The following table reflects the continuity of stock options for the periods ended March 31, 2020 and 2019:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2018 and March 31, 2019	9,200,000	0.07
Balance, December 31, 2019	8,250,000	0.07
Expired / Forfeited	(650,000)	(0.08)
Balance, March 31, 2020	7,600,000	0.07

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2020
(Unaudited) - Expressed in Canadian Dollars

6. STOCK OPTIONS (continued)

The following table reflects the Company's stock options outstanding and exercisable as at March 31, 2020:

Expiry date	Options outstanding	Options exercisable	Exercise price (\$)	Weighted average remaining contractual life (years)
September 7, 2021	1,850,000	1,850,000	0.05	1.44
September 18, 2022	2,100,000	2,100,000	0.10	2.47
August 1, 2023	2,200,000	2,200,000	0.07	3.34
August 17, 2023	250,000	250,000	0.07	3.38
April 23, 2024	200,000	200,000	0.05	4.07
November 1, 2024	1,000,000	1,000,000	0.05	4.59
	7,600,000	7,600,000	0.07	2.82

7. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and other key management personnel, close family members and enterprises that are controlled by these individuals. Related party transactions are conducted in the normal course of operations and are measured at the exchange value (the value amount established and agreed to by the related parties).

The following summarizes the Company's related party transactions for the periods:

	Three Months Ended March 31,	
	2020	2019
Rent paid	\$ 1,500	\$ 2,000

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. The Company's key management personnel include the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary.

Remuneration of key management personnel of the Company for the periods are presented below:

	Three Months Ended March 31,	
	2020	2019
Management fees and salaries	\$ 20,250	\$ 10,320
Professional fees	9,661	15,952
	\$ 29,911	\$ 26,272

As at March 31, 2020, related parties were owed \$267,301 (December 31, 2019 - \$215,572) recorded in accounts payable and accrued liabilities.

Platinex Inc.
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(Unaudited) - Expressed in Canadian Dollars

8. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

9. COMMITMENTS AND CONTINGENCIES

Environmental

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

10. SUBSEQUENT EVENT

(i) In May 2020, the Company received a government guaranteed loan of \$40,000 to help with operating costs during COVID-19. The loan is interest-free until December 31, 2022. 25% of the loan amount is eligible for forgiveness provided that the Company pays back 75% of the loan on or before December 31, 2022. If the Company does not repay the loan by December 31, 2022, the loan may be converted into a 3-year term loan at an interest rate of 5%.