



TINKERINE STUDIOS LTD.

Condensed Consolidated Interim Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

TINKERINE STUDIOS LTD.

NOTICE TO READER

Under National Instrument 51-102, Part 4 subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company.

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

TINKERINE STUDIOS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)
September 30, 2020
(Expressed in Canadian Dollars)

	Notes	September 30, 2020	December 31, 2019
ASSETS			
Current			
Cash and cash equivalents		\$ (27,059)	\$ 9,070
Receivables	4	14,595	14,869
Inventory	5	115,446	128,519
Prepays and deposits		25,579	12,015
Total current assets		128,561	164,473
Property and equipment	6,7	-	-
Right-of-use asset	13	103,704	139,602
TOTAL ASSETS		\$ 232,265	\$ 304,075
LIABILITIES			
Current			
Trade payables and accrued liabilities	8,9	\$ 832,858	\$ 749,540
Lease liabilities - current portion	13	13,146	46,712
Short-term loan	16	90,000	-
		936,004	796,252
Non-Current			
Lease liabilities	13	94,847	96,315
Canadian Emergency Business Loan	17	40,000	
TOTAL LIABILITIES		1,070,851	892,567
EQUITY			
Share capital	10	4,356,557	4,329,369
Reserve	10	156,311	98,288
Deficit		(5,351,454)	(5,016,149)
		(838,587)	(588,492)
TOTAL LIABILITIES AND EQUITY		\$ 232,265	\$ 304,075

Nature and continuance of operations (Note 1)
Commitment (Note 12)

Approved on behalf of the Directors:

"Justin Sy"

"Eugene Suyu"

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

TINKERINE STUDIOS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (unaudited)

September 30, 2020**(Expressed in Canadian Dollars)**

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2020	2019	2020	2019
REVENUE	11	\$ 86,819	\$ 127,855	\$ 282,560	\$ 394,917
COST OF SALES					
Cost of Goods Sold		41,807	71,673	146,631	200,881
		45,012	56,182	135,929	194,036
Production training and start-up		-	-	-	-
GROSS PROFIT		45,012	56,182	135,929	194,036
EXPENSES					
Amortization	6,7,13	11,966	982	35,898	5,726
Bank and credit card charges		2,098	1,310	7,930	4,462
Foreign exchange (gain)		1,494	(1,016)	2,414	3,129
Insurance		5,925	4,839	16,690	14,285
Interest	13	4,494	1,019	11,344	2,037
Office and general		2,545	1,224	13,681	5,795
Product promotion, trade shows and travel		6,759	245	11,048	1,048
Professional and consulting fees		29,145	32,057	116,339	80,602
Rent and utilities		1,892	14,519	4,868	42,773
Research and development		1,713	1,830	1,837	8,751
Remuneration and benefits	9	78,977	77,454	241,363	221,059
Stock-based compensation	9,10	29,722	-	82,603	-
Shareholder communications, filing & transfer agency		10,745	9,742	36,295	30,902
		187,475	144,205	582,308	420,569
NET PROFIT (LOSS)		(142,462)	(88,023)	\$ (446,379)	\$ (226,533)
OTHER INCOME					
Grant Revenue	18	26,041		86,494	
NET AND COMPREHENSIVE PROFIT (LOSS)		\$ (116,422)	\$ (88,023)	\$ (359,885)	\$ (226,533)
NET PROFIT (LOSS) PER COMM SHARE- BASIC & DILUTED		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED		49,410,164	49,238,349	49,410,164	49,238,349

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

TINKERINE STUDIOS LTD.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (unaudited)
September 30, 2020
(Expressed in Canadian Dollars)

	Notes	Share capital		Equity Reserve	Deficit	Total
		Number of shares	Amount			
Balance at December 31, 2018		49,238,349	4,329,369	316,122	(4,850,323)	(204,832)
Transactions with owners, in their capacity as owners and other transfers:						
Stock-based compensation	10	-	-	-	-	-
Cancellation of stock options	10	-	-	(211,505)	211,505	-
Net and comprehensive loss		-	-	-	(226,533)	(226,533)
Balance at September 30, 2018		49,238,349	4,329,369	104,617	(4,865,351)	(431,365)
Balance at December 31, 2019		49,238,349	4,329,369	98,288	(5,016,149)	(588,492)
Transactions with owners, in their capacity as owners and other transfers:						
Stock-based compensation	10	-	-	82,603	-	82,603
Share Options exercised in Q2	10	355,000	26,625	(21,389)	21,389	26,625
Share Options exercised in Q3	10	7,500	563	(215)	215	563
Cancellation of stock options	10	-	-	(2,976)	2,976	-
Net and comprehensive loss		-	-	-	(359,885)	(359,885)
Balance at September 30, 2020		49,600,849	\$ 4,356,557	\$ 156,311	\$ (5,351,454)	\$ (838,587)

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

TINKERINE STUDIOS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
September 30, 2020
(Expressed in Canadian Dollars)

	For the nine months ended	
	Sept 30, 2020	Sept 30 2019
Cash Flow from Operating Activities		
Net loss for the period	\$ (359,885)	\$ (226,533)
Items not involving cash		
Amortization	35,898	5,726
Stock-based compensation	82,603	-
Changes in non-cash working capital items		
Receivables	274	(26,608)
Inventory	13,074	48,337
Prepays and deposits	(13,564)	(21,644)
Trade payables and accrued liabilities	83,318	106,959
Customer deposits and deferred revenue	-	-
Net cash provided by (used in) operating activities	<u>(158,282)</u>	<u>(113,763)</u>
Cash Flow from Financing Activities		
Repayment of lease liability	(35,035)	
Proceeds from short term loan	90,000	
Proceeds from Government Grant	40,000	
Net proceeds from share issuances	27,188	-
Net cash provided by financing activities	<u>122,153</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(36,129)	(113,763)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>9,070</u>	<u>87,885</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ (27,059)</u>	<u>\$ (25,878)</u>

Supplemental cash flow information

September 30, 2020

The Company reallocated \$21,604 from reserve to deficit upon exercise of stock options (Note 10)

The Company reallocated \$2976 from reserve to deficit upon cancellation of stock options (Note 10)

The Company received an unsecured loan of \$90,000 from five of its employees and \$40,000 government grant

September 30, 2019

The Company reallocated \$211,505 from reserve to deficit upon cancellation of stock options (Note 10)

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

1. Nature and continuance of operations

Tinkerine Studios Ltd. (formerly White Bear Resources Inc.) (the “Company”) was incorporated on May 25, 2006 under the laws of the province of British Columbia, Canada. The Company was previously listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol WBR. The Company’s main activity was the acquisition, exploration and evaluation of resource properties.

In April 2014, White Bear Resources Inc. (“White Bear”) completed a share exchange with Tinkerine Studio Ltd. (“Tinkerine”), a private company incorporated on May 8, 2012 under the laws of British Columbia, Canada, resulting in a reverse take-over (“RTO”). Immediately following the RTO, White Bear changed its name to Tinkerine Studios Ltd. and Tinkerine changed its name Tinkerine 3D Print Systems Ltd. For purposes of these consolidated financial statements, the “Company” is defined as the consolidated entity. Also in April 2014, the Company commenced trading on the TSX-V under its current trading symbol TTD.

The Company’s primary business is the design and distribution of 3D printers, software and related online educational content.

The Company’s registered and records office at 1500-1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7 and its head office is located at 213A-8725 92nd Street, Delta British Columbia, Canada, V4G 0A4.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The continuing operations of the Company are dependent upon its ability to generate profitable operations in the future, and to continue to secure additional financing. There can be no assurance that the Company will be successful in its efforts to raise additional financing or if financing is available, that it will be on terms that are acceptable to the Company. These events cast significant doubt about the Company’s ability to continue as a going concern.

Based on the Company’s operating history and its relationship with its stakeholders, Management expects that it will require additional equity to have sufficient capital to fund operations for the next twelve months. Further discussion of liquidity risk has been disclosed in Note 14. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations as a going concern.

2. Basis of Presentation and Significant Accounting Policies

The financial statements were authorized for issue on November 24, 2020 by the directors of the Company.

Statement of compliance

These condensed consolidated interim financial statements of the Company, including comparatives, are unaudited and have been prepared in accordance with International Accounting Reporting Standards (“IFRS”) and (“IAS”) 34, “Interim Financial Reporting” using accounting policies and methods of computation consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

2. Basis of Presentation and Significant Accounting Policies (Cont'd)

These condensed consolidated interim financial statements include all necessary information and disclosures required for interim financial statements but do not include disclosures required for a full annual financial report. These statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2019.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted, which is the Company's functional currency.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its 100% controlled entity, Tinkerine 3D Print Systems Ltd.

The consolidated financial statements include the accounts of White Bear from April 4, 2014, the date of the share exchange. The financial statements prior to this date include only the accounts of Tinkerine. Inter-company transactions and balances are eliminated upon consolidation.

Revenue recognition

The Company adopted IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") on a retroactive basis in accordance with the transitional provisions. IFRS 15 will replace IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations on revenue. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The new standard requires companies to follow a five-step model to determine if revenue should be recognized:

1. Identify the contracts with the customer which is the invoice and the company does not transfer ownership to the customer until the goods are shipped
2. Identify the performance obligations in the contract – there are no separate performance obligations, other than the 1 year warranty, which is not distinct from the sale.
3. Determine the transaction price – the contract price is pre-determined and therefore amount of revenue can be measured definitively.
4. Allocate the transaction price to the performance obligations in the contract – the Company allocates the entire transaction price to the sales of the printer which is the primary performance obligation.

2 Basis of Presentation and Significant Accounting Policies (Cont'd)

Revenue (Cont'd)

5. Recognize revenue when the entity satisfies a performance obligation – revenue is recognized when printers are shipped to customers and ownership is transferred thus completing the primary and only obligation

The Company has concluded that there are no significant differences between the point of risks and rewards transfer and the point of transfer of control under IFRS 15. As such, no adjustment has been recorded to the comparative figures

3. Accounting Standards Issued but Not Yet Effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

On March 29, 2018 the IASB issued a revised version of its Conceptual Framework for Financial Reporting (the Framework), that underpins IFRS Standards. The IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards (the Amendments) to update references in IFRS Standards to previous versions of the Conceptual Framework. Both documents are effective from January 1, 2020 with earlier application permitted. Some Standards include references to the 1989 and 2010 versions of the Framework. The IASB has published a separate document which contains consequential amendments to affected Standards so that they refer to the new Framework, with the exception of IFRS 3 Business Combinations which continues to refer to both the 1989 and 2010 Frameworks. The Company does not intend to adopt the Amendments in its financial statements before the annual period beginning on January 1, 2020.

In October 2018, the IASB issued amendments to IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments are to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves. The amendments are effective January 1, 2020.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance

4. Receivables

	September 30, 2020	December 31, 2019
Trade receivables	\$ 14,595	\$ 14,869
	\$ 14,595	\$ 14,869

5. Inventory

	September 30, 2020	December 31, 2019
Raw materials	\$ 108,450	\$ 113,189
Finished goods	6,996	15,330
	\$ 115,446	\$ 128,519

6. Property and Equipment

Equipment is amortized on a straight-line basis over five years, computer hardware and software on a straight-line basis over 3 years and leasehold improvements on a straight-line basis over three years.

	Equipment	Computers	Leasehold improvements	Total
Cost:				
December 31, 2018	\$ 58,673	\$ 6,094	\$ 6,664	\$ 71,431
Addition	-	-	-	-
Disposals	-	-	-	-
December 31, 2019	58,673	6,094	6,664	71,431
Additions	-	-	-	-
September 30, 2020	58,673	6,094	6,664	71,431
Amortization:				
December 31, 2018	\$ 54,458	\$ 5,913	\$ 4,448	\$ 64,819
Additions	4,215	181	2,216	6,612
	-	-	-	-
December 31, 2019	58,673	6,094	6,664	71,431
Additions	-	-	-	-
September 30, 2020	58,673	6,094	6,664	71,431
Net book value:				
December 31, 2019	\$ 0	\$ -	\$ -	\$ 0
September 30, 2020	\$ 0	\$ -	\$ -	\$ 0

7. Intangible Asset

Intangible asset represents a development stage portal or application called Tinkerine U, the purpose of which is to develop and share 3D printer content. It has been fully depreciated.

	Total
Cost:	
December 31, 2017, 2018 and 2019	\$ 146,409
Addition	-
	<u>\$ 146,409</u>
Amortization:	
December 31, 2016	73,201
Additions	48,800
December 31, 2017	122,001
Additions	24,408
December 31, 2018 and 2019	<u>146,409</u>
Net Book Value:	
December 31, 2017	\$ 24,408
December 31, 2018, 2019, and September 30, 2020	<u>\$ -</u>

8. Trade Payables and Accrued Liabilities

	September 30, 2020	December 31, 2019
Trade payables (note 10)	\$ 87,285	\$ 76,112
Accrued liabilities	745,573	673,428
	\$ 832,858	\$ 749,540

9. Related party transactions

As at September 30, 2020, included in prepaid and deposits is \$2,435 (December 31, 2019 - \$2,435), which has been paid to a director of the Company

As at September 30, 2020, included in trade payables is \$20,319 (December 31, 2019 - \$20,526), which is due to related parties. These amounts are unsecured, non-interest bearing and without specific terms of repayment.

The compensation of officers and directors for the nine months period was as follows:

	September 30 2020	September 30 2019
Rent and Utilities	\$ 39,437	\$ 39,437
Remuneration, fees and short term benefits	98,930	101,371
Stock-based compensation	33,708	-
	\$ 172,076	\$ 140,808

9. Share Capital

Authorized share capital

Unlimited number of common shares without par value.

Issued and outstanding at September 30, 2020: 49,600,849 shares.

Changes in issued share capital

During the first nine months, the Company issued 355,000 shares in Q2, and 7,500 shares in Q3 to employees whom had exercised their stock options at \$0.075 per share.

There are no changes to share capital in the first nine months of the 2019 fiscal year.

Warrants

For the period ended September 30, 2020 and 2019 there are no warrants outstanding.

10 Share Capital (Cont'd)

Stock options

During the first nine months the stock options transactions were as follows

On Mar 26th 2020, the Company granted 5,820,000 stock options with an exercise price of \$0.125. The fair value of the stock option issuances was calculated using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate of 1.73%, expected life of 5 years, volatility of 110% and no expected dividends. The fair value is expensed to stock-based compensation over the one year vesting period using the grading recognition system. For the first nine months of 2020, \$82,603 was recognized as stock-based compensation based on this recognition system.

There were no issue of stock options in the first nine months of the 2019.

For the first nine months ended September 30, 2020 355,000 stock options were exercised on March 26, 2020 at a price of \$0.075, and the corresponding amount of \$21,389 was reallocated from reserves to deficit. 7,500 stock options were exercised on Aug 18th 2020, and the corresponding amount of \$215 was reallocated from reserves to deficit.

For the first nine months ended September 30, 2020, 40,000 stock options expired, unexercised on May 23, 2020 and were cancelled, and the corresponding amount of \$2,976 was reallocated from reserves to deficit.

During the year ended December 31, 2019, 1,175,000 (2018 – 225,000) stock options were cancelled, and the corresponding amount of \$217,836 (2018 – \$13,173) was reallocated from reserves to deficit.

A continuity schedule of stock options is as follows:

Number of options	Exercise Price	Expiry date
415,000	\$0.075	Jan 27, 2021
817,500	\$0.075	Jun 24 2021
725,000	\$0.075	Sept 30, 2022
5,820,000	\$0.125	Mar 26, 2025

As at September 30, 2020, the following stock options were outstanding and exercisable

	Number of stock options
Balance December 31 2018	3,535,000
Expired/cancelled	(1,175,000)
Balance December 31, 2019	2,360,000
Issued	5,820,000
Exercised	(362,500)
Cancelled	(40,000)
Balance September 30, 2020	7,777,500
Exercisable September 30, 2020	3,121,500

As at September 30, 2020 the weighted average exercise price is \$0.075 with an average remaining term of 3.7 years

10 Share Capital (Cont'd)

Reserve

The reserve records items recognized as stock-based compensation expense and the fair value of warrants issued based on the residual method. At the time that the stock options or warrants are exercised, the corresponding amount is reallocated to share capital, or if they are cancelled the corresponding amount is reallocated to deficit

11 Segmented Information

The Company operates in one reportable operating segment, being the sale of 3D printers and provision of related services. The summarized financial information for the revenue derived by geographic segment is as follows:

	Sept 30 2020	Sept 30 2019
Total Revenue		
Canada	\$ 246,649	\$ 205,440
United States	35,911	189,367
Other	-	110
	\$ 282,560	\$ 394,917

During the nine months ended September 30, 2020 sales to one customer was each in excess of 10% of total revenue. During the previous nine months period ended September 30, 2019 there were two customers that each generated in excess of 10% of the total revenue.

12. Commitments

Lease agreement

On January 1st, 2020, the Company entered into a three-year lease agreement with a director of the Company for its premises, commencing January 1st, 2020. The annual basic lease payments was \$58,286 for the 3 year term. In addition, the Company pays operating costs and a management fees equal to 5% of the annual basic rent.

Contingency

The Company may be subject to a variety of claims and suits that arise from time to time in the ordinary course of business. These matters are subject to inherent uncertainties

13. Right-of-Use Assets and Lease Liabilities

As at January 1, 2019 the Company recognized a right-of-use asset and corresponding liability for its office lease. Furthermore, the Company expects a decrease in administrative expenses, an increase in depreciation expense (as the right-of-use asset is depreciated) and an increase in finance interest costs (due to accretion of the lease liability).

13 Right-of-Use Assets and Lease Liabilities (Cont'd)

Minimum lease payments at initial recognition	\$ 205,951
Effect of discounting at the incremental borrowing rate	(18,485)
Lease liabilities recognized as at January 1, 2019	187,466
Right-of-use asset recognized as at January 1, 2019	187,466

The lease liabilities were discounted at a discount rate of 5% as at January 1, 2019

The following table presents the continuity of right-of-use assets and lease liabilities under IFRS 16 adoption effective September 30, 2020

Right-of-use assets	
Cost	
As at January 1, 2019, on adoption of IFRS 16	\$ 187,466
Additions	-
September 30, 2020	187,466
Depreciation	
December 31, 2019	47,864
Addition	35,898
September 30, 2020	83,762
Net Book Value	
As at December 31, 2019	\$ 139,602
September 30, 2020	\$ 103,704

Lease liabilities	
As at January 1, 2019, on adoption of IFRS 16	\$ 187,466
Lease payments made	(52,584)
Interest expenses on lease liabilities	8,145
As at December 31, 2019	143,027
Lease payments made	(39,437)
Interest expense on lease liabilities	4,403
As at September 30, 2020	107,993
Less: Lease liabilities – Current	13,146
Lease liabilities – Non-current	\$ 94,847

13 Right-of-Use Assets and Lease Liabilities (Cont'd)

The Right-of-Use Assets and Lease Liabilities relates to the Company's operating lease ("Lease") for its office premise in Delta, British Columbia, Canada which it leases from a Director of the Company. The Lease effective date was December 1, 2016 and was for a 3-year term, ending on December 1, 2019. As at January 1st 2020 the Company exercised the option to extend the term of the lease for a further three years.

The following table presents the projected amounts due under the agreement in future years.

	September 30, 2020	December 31, 2019
	\$	\$
Not later than 1 year	13,146	52,583
1 year to 3 years	100,785	100,785
Total	113,931	205,951

14 Capital Management

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

15 Financial instruments and financial risk management

The fair value of the Company's financial assets and liabilities approximates its 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.

As at September 30, 2020 and at December 31, 2019, the Company measures its cash based on Level 1 inputs.

15 Financial instruments and financial risk management (Cont'd)

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves, to ensure that it meets its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash from operations.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company may from time to time extend unsecured credit to its customers and therefore, the collection of trade receivables may be affected by changes in economic or other conditions. The Company has not experienced any credit loss in the collection of trade receivable to date. The Company's other exposure to credit risk is on its cash held in bank accounts. The Company manages this risk by maintaining bank accounts with reputable financial institutions.

16 Short Term Loan

On February 28, 2020, the Company received an unsecured loan of \$90,000 and issued promissory notes as confirmation of the loan agreement. The loan was provided by five of its employees and is repayable on April 30, 2020 at an interest rate of 12% per annum that has been extended at the time of issue of the Company's second quarter financial statements.

17. Canadian Emergency Business Loan

The Canadian Emergency Business Loan was received on April 17th 2020, and is an interest free loan provided by the Federal Government of Canada to Canadian companies to assist them through the Covid 19 pandemic. This loan is repayable at the end of 2022.

18. Government Assistance

The grant was provided through the IRAP IAP, that provided a wage subsidy to technology company employers for a 12 week period that were affected by the Covid 19 pandemic. For each qualified employee the program provided \$847 a week for 12 weeks, with the first payment of 80% received in May 2020 and the remaining 20% received in June 2020.