

**Planet Ventures Inc.**

**Financial Statements**

**For the Six Months Ended September 30, 2018 and 2017**

**Expressed in Canadian Dollars**

**(Unaudited – prepared by management)**

**PLANET VENTURES INC.**  
**Index to Financial Statements**  
**For the Six and Three Months Ended September 30, 2018 and 2017**

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NOTICE OF NO AUDITOR'S REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

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**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor

**PLANET VENTURES INC.**  
**Statements of Financial Position**  
*(Expressed in Canadian dollars)*

	<b>September 30, 2018</b>	March 31, 2018
	<b>(unaudited)</b>	(audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,624,856	\$ 1,651,582
Investments at fair value (Notes 3 and 7))	2,820,857	2,647,837
Investments in crypto currencies (Notes 5)	3	3
Loan receivable (Note 4)	-	75,000
Receivables	2,798	6,678
Prepaid expenses	34,333	108,207
<b>Total current assets</b>	<b>4,482,847</b>	4,489,307
Office rental deposit	29,433	29,433
<b>Total assets</b>	<b>\$ 4,512,280</b>	\$ 4,518,740
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 88,133	\$ 40,396
<b>Total liabilities</b>	<b>88,133</b>	40,396
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6(a))	15,717,741	15,412,941
Contributed surplus (Note 6(c) and (d))	2,020,337	1,921,418
Deficit	(13,313,931)	(12,856,015)
<b>Total shareholders' equity</b>	<b>4,424,147</b>	4,478,344
<b>Total liabilities and shareholders' equity</b>	<b>\$ 4,512,280</b>	\$ 4,518,740

Commitments (Note 8)  
Subsequent events (Note 6(c))

Approved and authorized by the Board of Directors on November 26, 2018:

"Chris Cooper"  
Director

"Desmond Balakrishnan"  
Director

**PLANET VENTURES INC.****Statements of Operations and Comprehensive Income (Loss)***(Expressed in Canadian dollars)**(unaudited)*

	Three months ended September 30,		Six months ended September 30,	
	2018	2017	2018	2017
<b>Investment income</b>				
Net realized gains (losses) on disposal of investments (Note 3)	\$ (118,123)	\$ 4,058	\$ (68,783)	\$ (6,535)
Net change in unrealized gains (losses) on investments (Note 3)	(183,317)	(231,032)	(68,277)	(482,479)
Interest and dividends (Note 4)	439	1,474	862	4,210
Total investment income (loss)	(301,001)	(225,500)	(136,198)	(484,804)
<b>Expenses</b>				
Commissions	1,254	10,310	2,884	16,120
Consulting	37,142	-	67,142	9,000
Insurance	2,057	1,841	4,070	4,063
Management and directors' fees (Note 7)	1,500	2,000	3,000	3,000
Office and administration (Note 7)	16,308	16,030	31,956	31,263
Professional fees	25,151	4,536	31,495	13,326
Stock based compensation	153,719	-	159,785	-
Transfer agent and filing fees	7,247	7,363	11,482	12,056
Travel and promotion	-	537	7,500	537
Total expenses	244,378	42,617	319,314	89,365
<b>Other income</b>				
Consulting income	-	-	-	(151,905)
Foreign exchange loss	-	-	2,404	-
Total other loss (income)	-	-	2,404	(151,905)
<b>Net income (loss) and Comprehensive income (loss)</b>				
	\$ (545,379)	\$ (268,117)	\$ (457,916)	\$ (422,264)
Basic and diluted income (loss) per common share				
	\$ (0.005)	\$ (0.004)	\$ 0.004	\$ (0.006)
Weighted average number of common shares outstanding:				
Basic	92,039,190	69,539,190	90,427,168	69,539,190
Diluted	109,417,270	69,539,190	108,538,944	69,539,190

**PLANET VENTURES INC.**  
**Statements of Changes in Equity**  
*(Expressed in Canadian dollars)*  
*(unaudited)*

	Share Capital		Contributed Surplus	Deficit	Total
	Number of Shares	Amount			
Balance, March 31, 2017	69,539,190	\$ 14,489,327	\$ 1,820,510	\$ (11,570,137)	\$ 4,739,700
Comprehensive income for the period	-	-	-	(422,264)	(422,264)
<b>Balance, September 30, 2017</b>	<b>69,539,190</b>	<b>\$ 14,489,327</b>	<b>\$ 1,820,510</b>	<b>\$ (11,992,401)</b>	<b>\$ 4,317,436</b>
<b>Balance, March 31, 2018</b>	<b>89,539,190</b>	<b>\$ 15,412,941</b>	<b>\$ 1,921,418</b>	<b>\$ (12,856,015)</b>	<b>\$ 4,478,344</b>
Share based compensation	2,500,000	-	153,719	-	153,719
<b>Shares issued on exercise of warrants</b>		304,800	(54,800)	-	250,000
Comprehensive income for the period	-	-	-	(457,916)	(457,916)
<b>Balance, September 30, 2018</b>	<b>92,039,190</b>	<b>\$ 15,717,741</b>	<b>\$ 2,020,337</b>	<b>\$ (13,313,931)</b>	<b>\$ 4,424,147</b>

*The accompanying notes are an integral part of these financial statements*

**PLANET VENTURES INC.**  
**Statements of Cash Flows**  
*(Expressed in Canadian dollars)*  
*(unaudited)*

	<b>Six months ended September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>Cash flows from (used in):</b>		
<b>Operating activities</b>		
Net income (loss) for the period	\$ (457,916)	\$ (422,264)
<i>Items not affecting operating cash:</i>		
Net realized losses (gain) on investments	68,783	6,535
Net change in unrealized losses (gain) on investments	68,277	482,479
Stock dividends	-	4,302
Share based compenstion	159,785	-
	<b>(161,071)</b>	71,052
<i>Adjustments for</i>		
Proceeds on disposal of investments	444,918	1,970,572
Purchase of investments	(689,999)	(1,043,972)
Proceeds from loan	75,000	-
Change in receivables	3,880	(960)
Change in prepaid expenses	67,808	2,068
Change in accounts payable and accrued liabilities	(17,262)	4,682
<b>Net cash provided by (used in) operating activities</b>	<b>(276,726)</b>	1,003,442
<b>Financing activities</b>		
Proceeds from warrants exercise	250,000	-
<b>Net cash provided by (used in) investing activities</b>	<b>250,000</b>	-
Change in cash and cash equivalents	(26,726)	1,003,442
Cash and cash equivalents, beginning of period	1,651,582	306,380
Cash and cash equivalents, end of period	\$ 1,624,856	\$ 1,309,822
<b>Supplemental Cash Flow Information:</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

*The accompanying notes are an integral part of these financial statements*

**PLANET VENTURES INC.**

**Notes to the Financial Statements**

**For the Six Months Ended September 30, 2018 and 2017**

*(Expressed in Canadian dollars)*

*(Unaudited)*

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**1. NATURE OF OPERATIONS**

Planet Ventures Inc. (“the Company”) was incorporated in Canada on January 29, 1996 under the Alberta Business Corporations Act and continues under the British Columbia Business Corporations Act. On June 28, 2017, the Company changed its name to Planet Ventures Inc. from Planet Mining Exploration Inc. The Company’s registered office and its principal place of business is located at Suite 303, 750 West Pender Street, Vancouver, BC Canada V6C 2T7. The Company’s shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol “PXI”.

From its inception up to October 2, 2014, the Company was in the business of acquiring, exploring and developing gold, copper, silver and other resource properties, both directly and through joint ventures in Canada. In October 2014, the Company changed its business from a “junior mineral exploration company” to an “investment issuer”.

**2. BASIS OF PREPARATION**

(a) Statement of compliance

The condensed interim financial statements for the six months ended September 30, 2018 were prepared in accordance with the International Financial Reporting Standards (“IFRS”) in effect at September 30, 2018, issued by the International Accounting Standard Board (“IASB”). Significant accounting policies are described in the Note 3 of the audited financial statements for the year ended March 31, 2018. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented below.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets, financial liabilities and investments to fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The presentation and functional currency of the Company is the Canadian dollar.

(c) Significant accounting judgements and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and expenses during the reporting period. Actual results could differ from these estimates.

## **2. BASIS OF PREPARATION (continued)**

### (c) Significant accounting judgements and estimates (continued)

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of the revision and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to determination of fair value of financial instruments (see Note 3b in the audited financial statements for the year ended March 31, 2018) and investments in crypto currencies (Note 3d in the audited financial statements for the year ended March 31, 2018).

In preparing the financial statements, management makes judgments regarding the application of IFRS for the Company's accounting policies. Significant judgments relate to the following areas:

#### *(i) Going concern assumption*

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation.

#### *(ii) Income taxes*

Judgements are made by management at the end of the reporting period to determine the likelihood that deferred income tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws.

While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

## **3. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY**

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

**PLANET VENTURES INC.**  
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*(Expressed in Canadian dollars)*  
*(Unaudited)*

**3. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY (continued)**

The fair value hierarchy has the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	September 30, 2018		March 31, 2018	
	Level 1	Level 2	Level 1	Level 2
Cash and cash equivalents	\$ 1,624,856	\$ -	\$ 1,651,582	\$ -
Investments at fair value:				
Equity investments in				
public companies (a)	\$ 2,020,356	\$ -	\$ 2,359,460	\$ -
Warrants held (b)	\$ -	\$ -	\$ -	\$ 69,875
Marketable debenture (c)	\$ -	\$ -	\$ -	\$ -
Equity investments in				
private companies (d)	\$ -	\$ 800,505	\$ -	\$ 218,502

The methods of measuring each of these financial assets have not changed during the past six months. The Company does not have any financial assets or liabilities measured at fair value based on unobservable inputs (Level 3). The fair values of financial instruments measured at amortized cost approximate their carrying amounts.

(a) Equity investments

The Company's equity investments are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of investment securities is calculated as the closing market price of the investment equity security multiplied by the quantity of shares held by the Company. Some of the equity investments are subject to a four-month statutory hold period. Stock options and warrants held that are not traded on an active market are remeasured using a valuation technique based on data inputs that are supported by observable current market conditions and are therefore classified within Level 2 of the fair value hierarchy.

(b) Marketable debenture

During the year ended March 31, 2017, the Company invested \$100,000 in a 9.46% convertible unsecured marketable senior debenture that is listed on the TSX Venture Exchange. The fair value of this debenture at March 31, 2017 was \$100,740. During the year ended March 31, 2018, the debenture was converted into the shares of the company and sold for proceeds of \$72,559.

**PLANET VENTURES INC.**

**Notes to the Financial Statements**

**For the Six Months Ended September 30, 2018 and 2017**

*(Expressed in Canadian dollars)*

*(Unaudited)*

**3. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY *(continued)***

(c) Equity investments in private companies

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below.

The determinations of fair value of the Company's privately-held investments at other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any events, such as a significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed. The fair value of a privately-held investment may be adjusted if there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

Investments at original cost and fair value consist of the following:

	<b>September 30, 2018</b>		<b>March 31, 2018</b>	
	<b>Cost</b>	<b>Fair market value</b>	<b>Cost</b>	<b>Fair market value</b>
Shares in public companies	\$ 2,914,171	\$ 2,020,356	\$ 2,995,962	\$ 2,359,460
Warrants	-	-	26,692	69,875
Shares in private companies	990,649	800,505	385,000	218,502
<b>Total</b>	<b>\$ 3,904,820</b>	<b>\$ 2,820,861</b>	<b>\$ 3,407,654</b>	<b>\$ 2,647,837</b>

**PLANET VENTURES INC.**  
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*(Expressed in Canadian dollars)*  
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**4. LOAN RECEIVABLE**

On February 15, 2017 the Company entered into an agreement to loan \$150,000. The loan borne interest at a rate of 7% per annum and the principal balance was due for repayment on February 16, 2018. At September 30, 2018, the loan was repaid. As at March 31, 2018 \$75,000 was outstanding. The loan was secured by various publicly traded securities. For the six months ended September 30, 2018, interest revenue of \$423 (2017 - \$2,736) was recognized in the statements of operations and comprehensive income (loss).

**5. INVESTMENTS IN CRYPTO CURRENCIES**

During the year ended March 31, 2018, the Company purchased \$291,386 in crypto currencies in the digital currency market and traded some of those crypto currencies for proceeds of \$60,462.

A continuity schedule of investments in crypto currencies is as follows:

Opening balance, as at April 1, 2017	\$	-
Purchase of cryptocurrencies		291,386
Proceeds from sales of cryptocurrencies		(60,462)
Realized losses from sales of cryptocurrencies		(2,260)
Unrealized losses from fair value adjustment		(228,661)
<b>Ending balance, as at March 31, 2018 and September 30, 2018</b>	<b>\$</b>	<b>3</b>

			<b>September 30, 2018</b>	
			<b>Cost</b>	<b>Fair market value</b>
Investments in crypto currencies	\$	<b>228,664</b>	\$	<b>3</b>

Due to uncertainty in establishing a supportable value of the investments in cryptocurrency they were written down during the year ended March 31, 2018. Management estimated the fair value of the investments in crypto currencies to be \$1 for each of the three crypto currencies held as at September 30, 2018 and March 31, 2018.

**6. SHARE CAPITAL**

a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value. The holder of common shares is entitled to receive any dividend declared by the Company on such shares.

On November 16, 2017, the Company closed a private placement with the sale of 20,000,000 units at \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for \$0.10 per share for a two-year period. The Company paid \$70,000 as a finder's fee and \$6,386 as a filing fee.

**PLANET VENTURES INC.**  
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*(Expressed in Canadian dollars)*  
*(Unaudited)*

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**6. SHARE CAPITAL *(continued)***

a) Common shares *(continued)*

In July 2018 2,500,000 shares were issued upon exercise of the warrants of the Company at \$0.10.

As at September 30, 2018, the Company had 92,039,190 shares issued and outstanding (March 31, 2018 – 89,539,190 shares).

b) Preferred shares

The Company is authorized to issue an unlimited number of first preferred shares and second preferred shares issuable in series with the issue price to be fixed by the directors. The holders of first preferred shares are entitled to preference over the common shares and the second preferred shares with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

No preferred shares were issued or were outstanding during the period ended September 30, 2018.

c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

On August 1, 2018, the Company granted 1,000,000 stock options exercisable at a \$0.15 per option for five years. The fair value of the options of \$153,719 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.15; exercise price – \$0.15; expected life – five years; volatility – 181%; dividend yield – \$nil; and risk-free rate – 2.22%.

On October 23, 2017, the Company granted 1,000,000 stock options exercisable at a \$0.10 per option for five years. The fair value of the options of \$75,464 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.08; exercise price – \$0.10; expected life – five years; volatility – 173%; dividend yield – \$nil; and risk-free rate – 1.62%.

On December 6, 2017, the Company granted 200,000 stock options exercisable at a \$0.10 per option for six months period. The fair value of the options of \$25,444 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.20; exercise price – \$0.10; expected life – six months; volatility – 169%; dividend yield – \$nil; and risk-free rate – 1.47%. During the six months ended September 30, 2018 these stock options expired unexercised.

**PLANET VENTURES INC.**  
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*(Unaudited)*

**6. SHARE CAPITAL (continued)**

c) Stock options (continued)

A continuity schedule of the Company's outstanding options is as follows:

	Number of options	Weighted average exercise price
Balance, March 31, 2017	75,000	\$ 0.15
Expired	(75,000)	\$ 0.15
Granted	1,200,000	\$ 0.10
Balance, March 31, 2018	1,200,000	\$ 0.10
Expired	(200,000)	\$ 0.10
Granted	1,000,000	\$ 0.15
<b>Balance, September 30, 2018</b>	<b>2,000,000</b>	<b>\$ 0.12</b>

As at September 30, 2018, the Company had options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise price	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (in years)
October 23, 2022	\$ 0.10	1,000,000	1,000,000	4.07
August 1, 2023	\$ 0.15	1,000,000	1,000,000	4.84

d) Share purchase warrants

	Number of warrants	Weighted average exercise price
Balance, as at March 31, 2016 and 2017	-	\$ -
Granted	20,000,000	\$ 0.10
<b>Balance, as at March 31, 2018</b>	<b>20,000,000</b>	<b>\$ 0.10</b>
Exercised	(2,500,000)	\$ 0.10
<b>Balance, as at September 30, 2018</b>	<b>17,500,000</b>	<b>\$ 0.10</b>

At September 30, 2018, weighted average remaining contractual life of the warrants is 1.13 years.

**7. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS**

a) Key management compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

**PLANET VENTURES INC.**  
**Notes to the Financial Statements**  
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**7. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS *(continued)***

a) Key management compensation *(continued)*

Amounts paid and accrued to directors, officers and companies in which directors and officers are shareholders or partners are included in general expenses as follows:

	<b>September 30, 2018</b>	September 30, 2017
Management and administration fees	\$ 30,000	\$ 45,000
Directors' fees	3,000	3,000
Stock based compensation	115,289	-
<b>Total</b>	<b>\$ 148,289</b>	<b>\$ 48,000</b>

As at September 30, 2018, \$4,154 (March 31, 2018 – \$4,154) was advanced to a company for the next month's provision of administrative services including services of Chief Financial Officer.

b) Related party transactions

In the normal course of operations, the Company transacts with companies related to its directors or officers. Related party transactions are measured at the exchange amounts as agreed upon by transacting parties. Related party transactions not disclosed elsewhere in these financial statements are as follows:

- During the six months ended September 30, 2018, the Company incurred \$9,995 (2017 - \$3,326) in legal expenses from a law firm of which a director and officer is a partner. As at September 30, 2018, \$19,471 (March 31, 2018 - \$9,476) was payable to this law firm, and \$780 (March 31, 2018 – \$780) was held in trust.
- The Company has investments in shares of corporations which current and former directors and officers are in common with the Company. As at September 30, 2018, fair market value of these investments was \$152,500 (March 31, 2018 - \$720,000) and cost \$150,000 (2017 - \$180,000).

**8. COMMITMENTS**

a) Management and administration services

The Company has agreed to pay a monthly fee of \$5,000 to the management company described in Note 7(a) for provision of management and administrative services. The agreement may be terminated by the Company with 60 days' written notice.

**PLANET VENTURES INC.**  
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**8. COMMITMENTS (continued)**

b) Office lease

On April 1, 2016, the Company entered into an office lease agreement for a term of five years and eleven months from April 1, 2016 to February 28, 2022 with commitments aggregated as follows:

<b>Year</b>	
2019	39,465
2020	80,675
2021	82,578
2022	77,295
	<u>\$ 280,013</u>

**9. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, fair value risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise. The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, the sale of assets, debt, or return of capital to shareholders. As at September 30, 2018, the Company did not have any debt, other than accounts payable and accrued liabilities, and is not subject to externally imposed capital requirements.

b) 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 maintains sufficient cash balances to meet current working capital requirements.

c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and receivables.

**PLANET VENTURES INC.**  
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The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents, and other assets with high-credit quality financial institutions.

**9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

c) Credit risk (continued)

The majority of the Company's cash and cash equivalents are held with major Canadian-based financial institutions. The Company views the credit risk associated with receivables as minimal as a significant portion of the balance is GST recoverable from Government of Canada.

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

d) Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's profit and losses. The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and reclamation bond. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in reclamation bond as they are generally held with large financial institutions.

e) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and commodity prices.

The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

In accordance with IFRS 9, the Company is required to fair value its investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. The Company is not exposed to significant interest rate risk as the Company's has no interest-bearing debt. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The result of sensitivity analysis shows an increase or decrease of 5% in the market price, with all other variables held constant, could have decreased or increased the Company's net loss by approximately \$21,000 as at September 30, 2018 (March 31, 2018-\$132,400).

**9. FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)***

f) Concentration risk in the Company's investment portfolio

Concentration risk is the risk that any single investment or group of investments will have the potential to materially affect the operating results of the Company.

Subject to board approval for investments in excess of a pre-determined threshold, there are no restrictions on the proportion of Company's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. Accordingly, the Company's investment activities may be highly concentrated in a limited number of investments or industry sectors and the Company's financial results may be substantially adversely affected by the unfavourable performance in those investments or industry sectors.

As at September 30, 2018, the Company's two top investments had a fair value of \$1,052,915 in publicly traded investment and resource companies, representing 37% of the fair value of the Company's total portfolio (March 31, 2018 – \$1,341,180 or 51%).