

Planet Ventures Inc.

Financial Statements

For the Nine Months Ended December 31, 2019 and 2018

Expressed in Canadian Dollars

(Unaudited – prepared by management)

PLANET VENTURES INC.
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For the Nine and Three Months Ended December 31, 2019 and 2018

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.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2019	March 31, 2019
	(unaudited)	(audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,390,361	\$ 2,361,284
Investments at fair value (notes 4 and 8)	2,617,003	2,343,731
Loans receivable (notes 5 and 8)	175,000	250,000
Receivables (note 9(c))	54,571	56,350
Right of use asset (note 6)	72,433	-
Prepaid expenses	140,074	19,103
Total current assets	4,449,442	5,030,468
Office rental deposit	29,433	29,433
Right of use asset (note 6)	84,505	-
Total assets	\$ 4,563,380	\$ 5,059,901
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 81,195	\$ 40,663
Lease liability (note 6)	70,911	-
Total Current liability	152,106	40,000
Lease liability (note 6)	92,260	-
Total liabilities	244,366	40,663
SHAREHOLDERS' EQUITY		
Share capital (note 7(a))	16,722,977	16,722,977
Shares to be issued	491,735	-
Contributed surplus (notes 7(c) and (d))	2,565,507	2,182,204
Deficit	(15,461,205)	(13,885,943)
Total shareholders' equity	4,319,014	5,019,238
Total liabilities and shareholders' equity	\$ 4,563,380	\$ 5,059,901

Commitments (note 6)
Subsequent events (note 7)
Approved and authorized by the Board of Directors on February 25, 2020:

"Chris Cooper"
Director

"Desmond Balakrishnan"
Director

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

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

	Three months ended December 31,		Nine months ended December 31,	
	2019	2018	2019	2018
Investment income				
Net realized gains (loss) on disposal of investments (note 4)	\$ (22,723)	\$ 201,548	\$ (218,538)	\$ 132,765
Net change in unrealized gains (losses) on investments (note 4)	5,453	(726,473)	(781,680)	(794,750)
Interest and dividends (note 4)	14,525	3,559	51,648	4,421
Total investment gain (loss)	(2,745)	(521,366)	(948,570)	(657,564)
Expenses				
Commissions	1,952	2,062	4,652	4,946
Consulting	92,500	13,934	135,447	87,142
Insurance	1,611	2,057	5,691	6,127
Interest (note 6)	14,269	-	14,269	-
Directors' fees (note 8)	1,500	1,500	4,500	4,500
Office and administration (note 8)	30,919	10,068	108,937	42,024
Professional fees	41,579	16,176	67,568	47,671
Stock based compensation	383,303	6,066	383,303	159,785
Transfer agent and filing fees	9,178	7,607	17,416	19,089
Travel and promotion	8,264	645	16,213	8,145
Total expenses	(585,075)	(60,115)	(757,996)	(379,429)
Other income (loss)				
Foreign exchange gain (loss)	(163)	-	(6,733)	(2,404)
Consulting income	130,000	-	130,000	-
Other income (note 6)	8,037	-	8,037	-
Total other income (loss)	137,874	-	131,304	(2,404)
Net income (loss) and comprehensive income (loss)				
	\$ (449,946)	\$ (581,481)	\$ (1,575,262)	\$ (1,039,397)
Basic (loss) gain per common share	\$ (0.004)	\$ (0.005)	\$ (0.014)	\$ 0.010
Diluted (loss) gain per common share	\$ (0.004)	\$ (0.005)	\$ (0.014)	\$ 0.010
Weighted average number of common shares outstanding:				
Basic	114,039,100	92,039,190	114,039,190	91,683,999
Diluted	114,039,100	108,402,276	114,039,190	108,047,084

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

PLANET VENTURES INC.
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share Capital					
	Number of Shares	Shares to be issued	Amount	Contributed Surplus	Deficit	Total
Balance, March 31, 2017	89,539,190	\$	\$ 15,412,941	\$ 1,921,418	\$ (12,856,015)	\$ 4,478,344
Share based compensation	-	-	-	153,719	-	153,719
Shares issued on exercise of warrants	2,500,000	-	250,000	-	-	250,000
Comprehensive income for the period	-	-	-	-	(1,039,397)	(1,039,397)
Balance, December 31, 2018	92,039,190	\$	\$ 15,662,941	\$ 2,075,137	\$ (13,895,412)	\$ 3,842,666
Balance, March 31, 2019	114,039,190	\$	\$ -	\$ 16,722,977	\$ (13,885,943)	\$ 5,019,238
Shares to be issued	-	491,735	-	-	-	491,735
Share based compensation	-	-	-	383,303	-	383,303
Comprehensive loss for the period	-	-	-	-	(1,630,019)	(1,630,019)
Balance, December 31, 2019	114,039,190	\$ 491,735	\$ 16,722,977	\$ 2,565,507	\$ (15,461,205)	\$ 4,319,014

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

PLANET VENTURES INC.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Nine months ended December 31,	
	2019	2018
Cash flows from (used in):		
Operating activities		
Net (loss) gain for the period	\$ (1,575,262)	\$ (1,039,397)
<i>Items not affecting operating cash:</i>		
Net realized loss (gain) on investments	218,538	(132,765)
Net change in unrealized loss (gain) on investments	781,680	794,750
Non cash stock dividend and interest	(25,049)	-
Share based compensation	383,303	159,785
	<u>(216,790)</u>	<u>(217,627)</u>
<i>Adjustments for:</i>		
Proceeds on disposal of investments	385,827	828,660
Purchase of investments	(1,634,268)	(837,833)
Change in loan principal	75,000	(175,000)
Change in receivables	1,779	1,869
Change in prepaid expenses	(120,971)	89,465
Change in accounts payable and accrued liabilities	40,532	(56,875)
Change in asset in use	6,233	-
Net cash provided by (used in) operating activities	<u>(1,462,658)</u>	<u>(367,341)</u>
Financing activities		
Proceeds from warrants exercise	-	250,000
Shares to be issued	491,735	-
Net cash provided by (used in) investing activities	<u>491,735</u>	<u>250,000</u>
Change in cash and cash equivalents	(970,923)	(117,341)
Cash and cash equivalents, beginning of period	<u>2,361,284</u>	<u>1,651,582</u>
Cash and cash equivalents, end of period	\$ 1,390,361	\$ 1,534,241
Supplemental Cash Flow Information:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

PLANET VENTURES INC.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended December 31, 2019 and 2018
(Expressed in Canadian dollars)
(Unaudited)

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

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in the condensed interim financial statements have been condensed or omitted. These condensed interim financial statements should be read in conjunction with the Company’s financial statements for the year ended March 31, 2019. The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended March 31, 2019. The Company’s interim results are not necessarily indicative of its results for a full year. All amounts are expressed in Canadian dollars, unless otherwise noted.

(b) Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

2. BASIS OF PREPARATION (continued)

(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.

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) and investments in crypto currencies (Note 3d) of the Company's audited financial statements for the year ended March 31, 2019.

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.

PLANET VENTURES INC.**Notes to the Condensed Interim Financial Statements****For the Nine Months Ended December 31, 2019 and 2018***(Expressed in Canadian dollars)**(Unaudited)***3. NEW ACCOUNTING STANDARDS ADOPTED BY THE COMPANY**

On April 1, 2019, the Company adopted the requirements of IFRS 16, “Leases”. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

4. 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.

The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) 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);
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	December 31, 2019		March 31, 2019	
	Level 1	Level 2	Level 1	Level 2
Cash and cash equivalents	\$ 1,390,361	\$ -	\$ 2,361,284	\$ -
Investments at fair value:				
Equity investments in public companies (a)	\$ 2,296,078	\$ -	\$ 2,274,726	\$ -
Warrants held	\$ 1,160	\$ -	\$ -	\$ -
Equity investments in private companies (b)	\$ -	\$ 319,765	\$ -	\$ 69,005

The methods of measuring each of these financial assets have not changed during the past year. 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.

PLANET VENTURES INC.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

(Unaudited)

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

(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) 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 determination 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.

PLANET VENTURES INC.**Notes to the Condensed Interim Financial Statements****For the Nine Months Ended December 31, 2019 and 2018***(Expressed in Canadian dollars)**(Unaudited)***4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS
HIERARCHY (continued)****(b) Equity investments in private companies (continued)**

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.

(c) Fair market value and original cost of investments

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

	December 31, 2019		March 31, 2019	
	Cost	Fair market value	Cost	Fair market value
Shares in public companies	\$ 3,650,009	\$ 2,296,078	\$ 3,013,171	\$ 2,274,726
Warrants	-	1,160	9,780	-
Shares in private companies	1,167,894	319,765	740,000	69,005
Total	\$ 4,817,903	\$ 2,617,003	\$ 3,762,951	\$ 2,343,731

5. LOANS RECEIVABLE

On November 13, 2018 the Company entered into an agreement to loan \$250,000. The loan born interest at a rate of 8% per annum and increases to 18% per annum from maturity date onwards, and the principal balance was due for repayment on February 14, 2019. The loan was secured by a mortgage over any real property owned by the borrower. The security was subordinate to existing secured obligations of the borrower of \$875,000. For the nine months ended December 31, 2019, interest revenue of \$4,275 (2018 - \$nil) was recognized in the statements of operations and comprehensive income (loss). The loan was repaid in April 2019. In addition, corporate financing fee of \$25,000 was repaid in shares during the nine months ended December 31, 2019.

On June 7, 2019 the company entered into an agreement to loan \$120,000. In August 2019 the loan and a one time charge of \$10,000 was repaid.

PLANET VENTURES INC.**Notes to the Condensed Interim Financial Statements****For the Nine Months Ended December 31, 2019 and 2018***(Expressed in Canadian dollars)**(Unaudited)***5. LOANS RECEIVABLE (continued)**

On August 23, 2019 the Company entered into an agreement to loan \$175,000. The loan bears interest of 18% per annum. The borrower will pay a finance fee of \$17,500 on the due date which is August 23, 2020. The loan can be prepaid all or any part of the indebtedness. The loan is secured by a share pledge of common shares registered and beneficially owned by the borrower. Interest revenue of \$12,351 was recognized in the statements of operations and comprehensive income (loss) during the nine months ended December 31, 2019.

In July 2019 the Company entered into a letter of intent with a company based in the United Kingdom. The Company loaned 200,000 British Pounds to this company. The loan is non-interest bearing and returnable on demand. Subsequent to the period ended December 31, 2019 the Company acquired all of the issued and outstanding shares of this company accordingly the loan was reclassified as investment in this private company.

6. RIGHT OF USE ASSET AND LEASE LIABILITY

On April 1, 2016, the Company entered into an office lease agreement for a term to February 28, 2022. The lease is accounted for in accordance with IFRS 16 (note 3). Interest was calculated based on estimated annual rate of 10%. The Company's lease payments are reimbursed monthly by a company of which an officer of the Company is employee resulting in income of \$8,037 for the period ended December 31, 2019.

	Nine months ended December 31, 2019	
Depreciation expense recorded as rent on right of use asset	\$	54,325
Lease payments reimbursed		62,362
Income from reimbursement of lease payments	\$	8,037
Interest expense on lease liability	\$	14,269

	As at December 31, 2019	
Current right of use asset	\$	72,433
Long term right of use asset		84,505
Total	\$	156,938
Current lease liability	\$	70,911
Long term lease liability		92,260
Total	\$	163,171

PLANET VENTURES INC.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended December 31, 2019 and 2018
(Expressed in Canadian dollars)
(Unaudited)

7. 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.

As at December 31, 2019 and March 31, 2019, the Company had 114,039,190 shares issued and outstanding.

Subsequent to the period ended December 31, 2019, on February 12, 2020, the Company issued 70,000,000 shares pursuant to the acquisition of a private company. On February 13, 2020, the Company closed a private placement with the sale of 28,000,000 units at \$0.05 per unit for gross proceeds of \$1,400,000. 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. As at February 25, 2020 the Company has 212,039,190 shares issued and outstanding.

Shares issued during the year ended March 31, 2019

On March 14, 2019, the Company closed a private placement with the sale of 22,000,000 units at \$0.05 per unit for gross proceeds of \$1,100,000. 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 \$33,250 as a finder's fee and \$6,714 as a filing fee.

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

(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 as at December 31, 2019 and March 31, 2019.

PLANET VENTURES INC.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended December 31, 2019 and 2018
(Expressed in Canadian dollars)
(Unaudited)

7. SHARE CAPITAL (continued)

(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 February 1, 2019, the Company granted 2,000,000 stock options exercisable at a \$0.10 per option for five years. The fair value of the options of \$107,067 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.06; exercise price – \$0.10; expected life – five years; volatility – 153%; dividend yield – \$nil; and risk-free rate – 1.86%.

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 – \$0.16; exercise price – \$0.15; expected life – five years; volatility – 176%; dividend yield – \$nil; and risk-free rate – 2.26%.

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

	Number of options	Weighted average exercise price
Balance, March 31, 2018	1,200,000	\$ 0.10
Expired	(200,000)	\$ 0.10
Granted	3,000,000	\$ 0.12
Balance, March 31, 2019 and December 31, 2019	4,000,000	\$ 0.11

As at December 31, 2019, 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	2.81
August 1, 2023	\$ 0.15	1,000,000	1,000,000	3.59
February 1, 2024	\$ 0.10	2,000,000	2,000,000	4.09

PLANET VENTURES INC.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended December 31, 2019 and 2018
(Expressed in Canadian dollars)
(Unaudited)

7. SHARE CAPITAL (continued)

(c) Stock options (continued)

Subsequent to the period ended December 31, 2019 pursuant to the acquisition of a private company the Company granted 500,000 stock options. The stock options are exercisable at \$0.10 per option for five years.

(d) Share purchase warrants

On March 14, 2019 as part of the private placement, the Company granted 22,000,000 warrants exercisable at \$0.10 for a two-year period. In July 2018 2,500,000 warrants were exercised at \$0.10.

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

	Number of warrants	Weighted average exercise price
Balance, as at March 31, 2018	20,000,000	\$ 0.10
Exercised	(2,500,000)	\$ 0.10
Granted	22,000,000	\$ 0.10
Balance, as at December 31, 2019 and March 31, 2019	39,500,000	\$ 0.10

During the period ended December 31, 2019 the expiration date of the 17,500,000 warrants was extended to November 16, 2020. The Company recognized \$383,303 related to extension of the warrants.

As at December 31, 2019, the Company had warrants outstanding to acquire common shares of the Company as follows:

Expiry date	Exercise price	Number of warrants outstanding	Weighted average remaining contractual life (in years)
November 16, 2020	\$ 0.10	17,500,000	0.88
March 14, 2021	\$ 0.10	22,000,000	1.21

Subsequent to the period ended December 31, 2019 the Company closed a private placement. As part of the private placement the Company issued 28,105,000 warrants exercisable at \$0.10 per warrant for a period of two years.

PLANET VENTURES INC.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

(Unaudited)

8. 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.

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:

	December 31, 2019	December 31, 2018
Management and administration fees	\$ 99,404	\$ 45,000
Directors' fees	4,500	4,500
Stock based compensation	-	115,289
Total	\$ 103,904	\$ 164,889

As at December 31, 2019 \$nil (March 31, 2019 - \$9,404) was advanced to a company for the next month's provision of administrative services including services of Chief Financial Officer. As at December 31, 2019 \$nil (March 31, 2019 - \$nil) was owed to a company of which a director of the Company is a director.

The Company's payments related to office lease are reimbursed by a company of which a Chief Financial Officer of the Company is an employee, see note 6.

(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 nine months ended December 31, 2019, the Company incurred \$43,900 (2018 - \$18,921) in legal expenses from a law firm of which a director and officer is a partner. As at December 31, 2019, \$35,838 (March 31, 2019 - \$8,877) was payable to this law firm, and cash of \$nil (March 31, 2018 - \$780) was held in trust.
- The Company has investments in shares of corporations with directors and officers in common. As at December 31, 2019, fair market value of these investments was \$649,018 (March 31, 2019 - \$173,633) and cost \$680,388 (March 31, 2019 - \$272,833).

PLANET VENTURES INC.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

(Unaudited)

8. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS (continued)

(b) Related party transactions (continued)

- During the year ended March 31, 2019, the Company loaned \$250,000 (note 4) to a company director of which is a director of the Company. During the nine months ended December 31, 2019 the loan and accrued interest were repaid. As at December 31, 2019 \$nil (March 31, 2019 - \$8,445) was accrued as interest.
- During the nine months ended December 31, 2019 the company entered into an agreement to loan \$120,000 to a company with the officer in common (note 4). During the nine months ended December 31, 2019 the loan and a one time charge of \$10,000 was repaid.

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 December 31, 2019, the Company did not have any debt, other than accounts payable and accrued liabilities, and was 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.

PLANET VENTURES INC.

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For the Nine Months Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

(Unaudited)

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(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.

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, and obtains security from creditors on receivables when possible.

The majority of the Company's cash and cash equivalents are held with major Canadian-based financial institutions. The Company estimates the credit risk associated with receivables as \$37,951 as it relates to the interest accrued on the convertible debenture included in the investments. The interest was not collected subsequent to the period end. \$9,267 relates to taxes receivable, collectability of which is reasonably assured. Remaining \$7,353 was received subsequent to the nine months ended December 31, 2019.

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.

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(Unaudited)

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(e) Market risk (continued)

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 remeasure its investments at fair value 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 \$139,600 as at December 31, 2019 (2018 - \$77,500).

(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 December 31, 2019, the Company's two top investments had a fair value of \$597,625 in publicly traded companies, representing 21% of the fair value of the Company's total portfolio (March 31, 2019 - \$1,162,650 or 51%).