

GRAND PEAK CAPITAL CORP.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

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 interim financial statements, they must be accompanied by a notice indicating that the 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 unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

GRAND PEAK CAPITAL CORP.**CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION***(Unaudited, in Canadian dollars)*

	Note	December 31, 2019	September 30, 2019
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 359,130	\$ 395,536
Accounts receivable		33,171	100,641
Sales tax receivable		-	-
Prepaid expenses		1,185	2,185
Loans and interest receivable	6	1,026,451	1,109,923
		1,419,937	1,608,285
Non-Current Assets			
Investments in warrants	4	339,779	459,966
Marketable securities	5	3,333,703	3,520,298
Investment property	7	418,370	423,091
Property and equipment	8	526	605
TOTAL ASSETS		\$ 5,512,315	\$ 6,012,245
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	9	\$ 21,422	\$ 117,029
Refundable deposits		2,987	3,046
Loans and interest payable	10	562,077	556,784
Convertible debenture payable	11	2,557,269	-
Income taxes payable		4,887	4,887
		3,148,642	681,746
Non-Current Liabilities			
Convertible debenture payable	11	-	2,471,681
TOTAL LIABILITIES		3,148,642	3,153,427
SHAREHOLDERS' EQUITY			
Share capital	12	10,450,604	10,450,604
Reserves	12	238,541	238,541
Deficit		(8,325,472)	(7,830,327)
TOTAL SHAREHOLDERS' EQUITY		2,363,673	2,858,818
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		\$ 5,512,315	\$ 6,012,245
Nature and continuance of operations	1		
Subsequent events	14		

On behalf of the Board:

"Tajinder Johal"
Tajinder Johal, Director

"Jatinder Bains"
Jatinder Bains, Director

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

GRAND PEAK CAPITAL CORP.**CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED DECEMBER 31,***(Unaudited, in Canadian dollars)*

	Note	2019	2018
REVENUE			
Consulting fee income	\$	-	\$ 800
Management fee income		83,244	89,250
Rental income		8,547	-
		91,791	90,050
EXPENSES			
Consulting fees		-	6,358
Depreciation		4,877	79
Office and miscellaneous		10,508	3,387
Professional fees		15,478	7,388
Rent		9,000	9,000
Transfer agent and regulatory fees		10,151	5,791
Wages and benefits		9,933	14,973
		(59,947)	(46,976)
OTHER ITEMS			
Interest expense	10, 11	(142,251)	(115,960)
Foreign exchange gain (loss)		(27,379)	2
Gain from forgiveness of debt	9	20,950	-
Gain on modification of convertible debentures	11	51,370	-
Interest income	6	25,663	17,231
Realized gain (loss) on marketable securities	5	-	187,456
Unrealized gain (loss) on marketable securities	5	(335,203)	4,403,820
Unrealized gain (loss) on investments in warrants	4	(120,188)	-
Other income		49	522
		(526,989)	4,493,071
NET AND COMPREHENSIVE LOSS	\$	(495,145)	\$ 4,536,145
LOSS PER SHARE - BASIC AND DILUTED	\$	(0.00)	\$ 0.06
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC & DILUTED			
		108,557,940	74,957,940

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

GRAND PEAK CAPITAL CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY***(Unaudited, in Canadian dollars, except share number)*

	Issued Common Shares		Reserves	Accumulated		Total
	Number of Shares	Amount		Other Comprehensive Income	Deficit	
Balance at September 30, 2018	74,966,040	9,610,604	79,348	5,983,690	(7,120,133)	8,553,509
Convertible debentures	-	-	146,793	-	-	146,793
Net income for the period	-	-	-	-	4,536,145	4,536,145
Reclassification on adoption of IFRS 9	-	-	-	(5,983,690)	5,983,690	-
Balance at December 31, 2018	74,966,040	9,610,604	226,141	-	3,399,702	13,236,447
Convertible debentures	-	-	12,400	-	-	12,400
Issuance of common shares for cash	33,600,000	840,000	-	-	-	840,000
Return to treasury	(8,100)	-	-	-	-	-
Net loss for the period	-	-	-	-	(11,230,029)	(11,230,029)
Balance at September 30, 2019	108,557,940	10,450,604	238,541	-	(7,830,327)	2,858,818
Net loss for the period	-	-	-	-	(495,145)	(495,145)
Balance at December 31, 2019	108,557,940	10,450,604	238,541	-	(8,325,472)	2,363,673

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

GRAND PEAK CAPITAL CORP.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited, in Canadian dollars)

	2019	2018
OPERATING ACTIVITIES		
Net income (loss)	(495,145)	4,536,145
Adjustment for non-cash items:		
Realized gain on marketable securities	-	(187,456)
Unrealized gain (loss) on investments in warrants	120,188	-
Unrealize gain (loss) on marketable securities	335,203	(4,403,820)
Accretion	85,337	29,641
Accrued interest expense	56,914	16,844
Accrued interest income	10,803	-
Depreciation	4,877	79
Foreign exchange	(929)	-
Gain from forgiveness of debt	(20,950)	-
Gain on modification of convertible debentures	(51,370)	-
Conversion of debt to shares	-	100,000
Changes in non-cash working capital items:		
Accounts receivable	67,470	11,137
Sales tax receivable	-	(25)
Prepays	1,000	(1,000)
Trade payables and accrued liabilities	(223,265)	9,189
Income taxes payable	-	1,509
Net cash flow provided by (used in) operating activities	(109,867)	112,243
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	-	282,343
Acquisition of marketable securities	-	(270,844)
Loan repayments	73,461	(850,000)
Net cash flow provided by (used in) investing activities	73,461	(838,501)
FINANCING ACTIVITIES		
Issuance of convertible debentures	-	1,760,000
Retirement of convertible debentures	-	(1,200,000)
Repayment of loans	-	400,000
Net cash flow provided by financing activities	-	960,000
Change in cash during the period	(36,406)	233,742
Cash, beginning of period	395,536	1,088,430
Cash, end of period	359,130	1,322,172

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Grand Peak Capital Corp. (the “Company”) is incorporated under the Business Corporations Act of British Columbia and is a diversified industry investment company. The Company invests in high quality cash flow assets across multiple industries, including real estate ventures in Canada and the USA, securities, early stage venture capital companies and leasing and growing hemp on land in Canada and the USA.

The Company is listed on the Canadian Securities Exchange (the “CSE”) and trades under the symbol “GPK”. The head office, principal address and records office of the Company are located at 4770 – 72nd Street, Delta, British Columbia, Canada, V4K 3N3.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended September 30, 2019, which have been prepared in accordance 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”).

These condensed consolidated interim financial statements for the three-month period ended December 31, 2019 were reviewed and authorized for issue by the Board of Directors on February 26, 2020.

Basis of Preparation

These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements were presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

These condensed consolidated interim financial statements included the accounts of the Company and its wholly owned subsidiary. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company’s control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated upon consolidation.

Entity	Incorporation	Ownership Percentage
Grand Peak Mexican Holding Inc.	Canada	100%
1151101 BC Ltd.	Canada	100%
Grand Peak Mexico S.A. de C.V.	Mexico	100%
Grand Peak USA, Inc.	USA	100%

The Company does not have mineral interest in Mexico and accordingly, the Company has determined that Grand Peak Mexico S.A. de C.V., is no longer required and will be therefore wound up. See Note 3.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Estimates and Assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if it affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets, fair value of investments held for trading and fair values of loans receivable.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the determination of the functional currency of the parent company and its subsidiaries.

3. DISPOSAL OF SUBSIDIARY

The Company does not have any mineral interest in Mexico and accordingly, the Company has determined that Grand Peak Mexico S.A. de C.V., is no longer required and will therefore be wound up. The assets, consisting of sales tax receivable of \$11,789, that were on the books of the Mexican subsidiary were written off during the year ended September 30, 2019.

4. INVESTMENTS IN WARRANTS

As at December 31, 2019, the Company's investments in warrants consists of share-purchase warrants of Canadian public companies which are measured at fair value. The fair values of the warrants are as follows:

	December 31, 2019		September 30, 2019	
Opening balance	\$	459,966	\$	1,461,914
Change in fair value		(120,187)		(1,001,948)
Ending balance	\$	339,779	\$	459,966

The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following weighted-average assumptions:

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Expressed in Canadian dollars)

4. INVESTMENTS IN WARRANTS (Continued)

	December 31, 2019	September 30, 2019
Expected life of warrants	0.10 – 1.83 years	0.35 – 2.08 years
Annualized volatility	76% - 205%	45% - 167%
Risk-free interest rate	1.71%	1.50%
Dividend rate	0%	0%

5. MARKETABLE SECURITIES

As at December 31, 2019, the Company's marketable securities comprise of investments in common shares of Canadian public companies. The Company designates its investment in common shares as fair value through profit or loss ("FVTPL"). The cost and fair values of the shares at December 31, 2019 and September 30, 2019 are as follows:

	December 31, 2019	September 30, 2019
Cost	\$ 5,020,310	\$ 7,387,793
Fair value	\$ 3,333,703	\$ 3,520,298

6. LOANS RECEIVABLE

In March 2018, the Company advanced \$250,000 to an unrelated entity. This loan bore interest at 10% per annum and was due 60 days from its issuance date. In addition, the Company charged the borrower a 2% fee payable on the maturity date. During the year ended September 30, 2018, the Company recognized interest revenue of \$19,247 on the loan. During the year ended September 30, 2019, the Company received \$276,507 including principal and interest as full repayment of this loan.

On July 23, 2018, the Company acquired a note receivable for \$4,500,000 with consideration consisting of \$3,500,000 and 1,176,471 common shares of the counterparty with an estimated fair value of \$1,000,000. During the year ended September 30, 2018, management identified evidence that this loan was impaired, and recognized an impairment loss of \$4,500,000. In September 2019, the Company signed a promissory note with the borrower, whereby the borrower agreed to repay the Company \$6,621,500 (US\$5,000,000) at an interest rate of 10% per annum, payable each month and the loan will be due March 30, 2020. There is no indication that the credit risk of the counterparty has changed as at September 30, 2019 and December 31, 2019, accordingly the carrying value of this note receivable remains to be \$nil (2018 - \$nil)

On August 8, 2018, the Company advanced \$13,358 to an unrelated company. This loan bore interest at 10% per annum, was unsecured and due on demand. During the year ended September 30, 2019, the Company received \$13,650 including principal and interest as full repayment of this loan.

In September 30, 2018, the Company advanced \$500,000 to an unrelated entity. This loan bore interest at 8% per annum and was due 1 year from its issuance date. During the year ended September 30, 2019, the Company received \$410,082 including interest of \$10,082 and common shares of the borrower with a fair value of \$100,000 as repayment of the loan.

GRAND PEAK CAPITAL CORP.
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(Expressed in Canadian dollars)

6. LOANS RECEIVABLE (Continued)

On January 21, 2019, the Company advanced \$71,000 to an unrelated company. This loan bears interests at 5% per annum, is unsecured and due on demand. In October 2019, the Company received \$73,461 including principal and interest as full repayment of this loan.

In April 2019, the Company advanced \$602,370 (US\$450,000) to an unrelated company (the "Borrower"). The loan bore interest at 10% per annum, with three California properties as collateral and a personal guarantee by the CEO of the Borrower. The loan will be due on December 31, 2019. The Company received \$9,980 as interest payments and has accrued interest of \$4,870 during the three months ended December 31, 2019.

In January 2020, the Company and the Borrower agreed to extend the due date of the loan to April 30, 2020, and the Borrower agreed to pay the Company \$32,628 (US\$25,000) as consideration for the extension of the loan which also included interest payment for January 2020, and will continue to make monthly interest payments of US\$3,750.

On September 9, 2019, the Company advanced \$434,115 (US\$330,000) to an unrelated company at an interest rate of 10% per annum; the loan is unsecured and due on demand. The Company recorded an accrued interest of \$8,318 for the three months ended December 31, 2019.

	December 31, 2019	September 30, 2019
Balance at September 30, 2018 and 2017	\$ 1,109,923	\$ 782,605
Loans advanced	-	1,107,485
Loans repaid	(83,441)	(828,820)
Interests earned	25,653	53,411
Loans impaired	-	-
Foreign exchange	(25,684)	(4,758)
Balance at September 30, 2019 and 2018	\$ 1,026,451	\$ 1,109,923

7. INVESTMENT PROPERTY

The following table presents changes in the cost and the accumulated depreciation and impairment on the Company's investment property which is comprised of land and building:

	December 31, 2019	September 30, 2019
Cost:		
Balance at September 30, 2019 and 2018	\$ 423,091	\$ -
Additions	-	423,091
Balance at December 31, 2019 and September 30, 2019	\$ 423,091	\$ 423,091
Depreciation:		
Balance at September 30, 2019 and 2018	\$ -	\$ -
Depreciation	4,721	-
Balance at December 31, 2019 and September 30, 2019	\$ 4,721	\$ -
Net carrying amount at December 31, 2019 and September 30, 2019	\$ 418,370	\$ 423,091

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Expressed in Canadian dollars)

7. INVESTMENT PROPERTY (Continued)

Investment properties were acquired on September 30, 2019 and therefore, no depreciation was taken and no rental income was generated for 2019. During the three months ended December 31, 2019, the Company recorded depreciation expense of \$4,798 and rental income of \$8,547. The Company estimated the fair value of its investment property to be approximately \$524,000 using the recent sales prices of comparable properties.

8. EQUIPMENT

	Equipment	Total
	(\$)	(\$)
Cost:		
At September 30, 2019 and 2018	947	947
Additions	-	-
At December 31, 2019	947	947
Depreciation:		
At September 30, 2018	26	26
Charge for the year	316	316
At September 30, 2019	342	342
Charge for the period	79	79
At December 31, 2019	421	421
Net Book Value:		
At September 30, 2019	605	605
At December 31, 2019	526	526

9. TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2019	September 30, 2019
Trade payable	\$ 6,422	\$ 93,138
Accrued liabilities	15,000	23,891
	\$ 21,422	\$ 117,029

During the three months ended December 31, 2019, the Company recorded a gain of \$20,950 from the forgiveness of debt by a supplier.

10. LOANS PAYABLE

In August 2018, the Company entered into a loan agreement of \$1,500,000 to an unrelated entity. This loan bears interest at 4% per annum, and is due on demand. During the year ended September 30, 2019, the Company made a payment of \$975,000 towards the principal; thereby, reducing the principal to \$525,000. The Company recorded an accrued interest of \$5,293 (2018 - \$7,392) for the three months ended December 31, 2019.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. LOANS PAYABLE (Continued)

In March 2019, the Company entered into a loan agreement of \$400,000 with an unrelated entity. This loan bears interest at 8% per annum, and is due on demand. During the year ended September 30, 2019, the Company made a payment of \$415,079 as repayment of the loan and accrued interest.

In March 2019, the Company entered into a loan agreement of \$400,000 with an unrelated entity. This loan bears interest at 8% per annum, and is due on demand. During the year ended September 30, 2019, the Company made a total payment of \$403,244 to the lender as repayment of the loan and accrued interest.

In March 2019, the Company entered into a loan agreement of \$100,000 with an unrelated entity. This loan bears interest at 8% per annum, and is due on demand. During the year ended September 30, 2019, the Company made a total payment of \$103,770 to the lender as repayment of the loan and accrued interest.

	December 31, 2019	September 30, 2019
Balance at September 30, 2019 and 2018	\$ 556,784	\$ 1,506,575
Loans borrowed	-	900,000
Loans repaid	-	(1,897,093)
Interest accrued	5,293	25,209
Interest paid	-	22,093
Balance at December 31, 2019 and September 30, 2019	\$ 562,077	\$ 556,784

11. CONVERTIBLE DEBENTURE PAYABLE

On June 25, 2018, the Company issued convertible debentures with total principal of \$2,500,000. These convertible debentures are convertible into common shares of the Company at a conversion price of \$0.36 per share at the option of the holder. These convertible debentures are unsecured, mature one year from issuance, and carry an interest rate of 10% per annum. The Company reserves the right to pay interest on the convertible debentures in cash or in shares.

The Company estimates 15% to be the market interest rate for a similar debt instrument without a conversion option of these convertible debentures and applied this rate to obtain the fair value (\$2,391,304) of the convertible debentures at inception. The Company applied the residual method to record the fair value of the conversion option of \$108,696 to the Company's loan reserve. The amount recorded to the loan reserve was offset by a deferred tax charge of \$29,348. In December 2018, the Company paid a total of \$1,275,342 to a holder of the convertible debentures which included \$1,200,000 in principal and \$75,342 in accrued interest. In February 2019, the Company paid a total of \$1,385,479 to the remaining holder of the convertible debentures which included \$1,300,000 in principal and \$85,479 in accrued interest. As at September 30, 2019, these convertible debentures were fully retired.

11. CONVERTIBLE DEBENTURE PAYABLE (Continued)

In January 2019, the Company issued convertible debentures with total principal of \$2,140,000. These convertible debentures are convertible into units of the Company at a conversion price of \$0.15 per unit; each unit consists of one common share and one common share purchase warrant of the Company exercisable for one year from the conversion date. These convertible debentures are unsecured, mature 2 years from issuance, and carry an interest rate of 8% per annum. The Company reserves the right to pay interest by cash payment of 4% and issuance of shares at the market price corresponding to 4% of accrued interest payable.

The Company estimates 13% to be the market interest rate for a similar debt instrument without a conversion option of these convertible debentures and applied this rate to obtain the fair value (\$1,944,083) of the convertible debentures at inception. The Company applied the residual method to record the fair value of the conversion option of \$195,917 to the Company's loan reserve. In March 2019, the Company paid a total of \$687,452 to three holders of these convertible debentures which included \$680,000 in principal and \$7,452 in accrued interest.

In October 2019, the Company and the debenture holder reached an agreement to reprice the conversion amount and the maturity dates of the debentures. The new conversion price and maturity date will be \$1.00 per unit and mature on December 31, 2020.

As at December 31, 2019, these convertible debentures had a carrying value of \$1,389,048 with accrued interest of \$109,328, totalling \$1,498,376.

In August 2019, the Company issued convertible debentures with total principal of \$1,100,000. These convertible debentures are convertible into units of the Company at a conversion price of \$0.20 per unit; each unit consists of one common share and one common share purchase warrant of the Company exercisable for one year from conversion date. These convertible debentures are unsecured, mature 2 years from issuance, and carry an interest rate of 8% per annum. The Company reserves the right to pay interest by cash payment of 4% and issuance of shares at the market price corresponding to 4% of accrued interest payable.

The Company estimates 13% to be the market interest rate for a similar debt instrument without a conversion option of these convertible debentures and applied this rate to obtain the fair value (\$999,295) of the convertible debentures at inception. The Company applied the residual method to record the fair value of the conversion option of \$100,705 to the Company's loan reserve.

In October 2019, the Company and the debenture holder reached an agreement to reprice the conversion amount and the maturity dates of the debentures. The new conversion price and maturity date will be \$1.00 per unit and mature on December 31, 2020.

As at December 31, 2019, the Company recorded a gain of \$51,370 from modification of these convertible debentures; in addition, the debentures had a carrying value of \$1,023,452 with accrued interest of \$35,441, totalling \$1,058,893.

12. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value

Stock Split

On May 17, 2019, the Company had a three for one stock split of its issued and outstanding common shares. Total issued and outstanding shares post stock split was 108,557,940. All share numbers in the consolidated financial statements are reported on a post stock split basis.

Share Issuance

In March 2019, the Company issued 33,600,000 units at a price of \$0.025 per unit for gross proceeds of \$840,000. Each unit consists of one common share of the Company and one common share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of \$0.033 per share for a period of five years. Using the residual method, the entire proceeds of \$840,000 were allocated to the shares and \$nil to the warrants.

Return to Treasury

During the year ended September 30, 2019, the Company made an adjustment to its share capital by cancelling 8,100 common shares and return them to treasury. This adjustment was to correct rounding errors in prior years so the number of shares outstanding agrees to the Company's share registries.

Stock Options

The Company has adopted a stock option plan whereby the Company may from time-to-time in accordance with the CSE requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

There was no option outstanding at December 31, 2019 and September 30, 2019.

Warrants

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted Average Exercise Price	Number of Warrants
Balance at September 30, 2018	\$ -	-
Issuance of warrants	0.03	33,600,000
Cancellation of warrants	0.03	(33,600,000)
Balance at December 31, 2019 and September 30, 2019	\$ -	-

During the year ended September 30, 2019, the Company cancelled all the warrants; as a result, there was no warrant outstanding as at September 30, 2019 and December 31, 2019.

13. RELATED PARTY TRANSACTIONS

As at December 31, 2019, the Company had \$nil (September 30, 2019 - \$nil) due from a company with a former common director of the Company recorded in accounts receivable.

14. SUBSEQUENT EVENTS

See Note 6 for extension of loan receivable.

Also see Note 11 for amendments made to outstanding convertible debenture balances.