

# **NAMESILO TECHNOLOGIES CORP.**

## **Condensed Interim Consolidated Financial Statements**

(Unaudited – Expressed in Canadian dollars)

**For the Three and Nine Months Ended September 30, 2019 and 2018**

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

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2019 and 2018.

**NAMESILO TECHNOLOGIES CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited – Expressed in Canadian Dollars)

	Notes	September 30, 2019 \$	December 31, 2018 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,395,392	1,299,847
Receivables		125,788	127,781
Prepaid expenses		19,160	8,390
Registry deposits		1,496,559	3,563,424
Prepaid domain name registry fees, current portion		14,337,452	11,561,185
		<b>17,374,351</b>	<b>16,560,627</b>
Prepaid domain name registry fees, long-term portion		997,720	577,958
Digital currency	4	1,352,894	116,341
Investments	6	2,108,663	2,922,963
Equipment	7	7,081	8,358
Brand	8	670,773	826,244
Customer relationships	9	6,084,380	8,020,143
Goodwill	3	8,417,325	8,670,931
		<b>37,013,187</b>	<b>37,703,565</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		800,778	762,010
Customer deposits		952,150	875,426
Deferred revenue, current portion	10	15,292,118	13,820,230
Loans payable	11	-	11,429,977
Convertible debenture – liability portion	12	296,975	273,296
		<b>17,342,021</b>	<b>27,160,939</b>
Deferred revenue, long-term portion	10	1,053,221	581,392
Loans payable	11	10,068,069	-
Deferred income tax liability		2,039,933	2,105,010
		<b>30,503,244</b>	<b>29,847,341</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	13	29,314,789	28,237,045
Subscription advances		15,608	18,608
Convertible debt – equity portion	12	15,808	15,808
Contributed surplus		1,545,091	1,463,016
Accumulated other comprehensive income		404,379	596,307
Deficit		(27,556,797)	(25,485,420)
Total equity attributable to shareholders of the Company		3,738,878	4,845,364
Attributable to non-controlling interest		2,771,065	3,010,860
		<b>6,509,943</b>	<b>7,856,224</b>
		<b>37,013,187</b>	<b>37,703,565</b>

Nature of operations and going concern (note 1)  
Subsequent event (note 12)

**Approved on behalf of the Board**

\_\_\_\_\_  
“Paul Andreola”                      **Director**                      \_\_\_\_\_  
“Colin Bowkett”                      **Director**

*The notes are an integral part of these condensed interim consolidated financial statements*

**NAMESILO TECHNOLOGIES CORP.**  
**Condensed Interim Consolidated Statements of Comprehensive Loss**  
**For the three and nine months ended September 30, 2019 and 2018**  
(Unaudited – Expressed in Canadian Dollars)

		For the three months ended September 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
	Notes	\$	\$	\$	\$
<b>REVENUE</b>		<b>7,849,498</b>	3,394,721	<b>21,294,085</b>	3,394,721
<b>COST OF SALES</b>		<b>(6,484,986)</b>	(3,392,626)	<b>(18,062,830)</b>	(3,392,626)
<b>GROSS PROFIT</b>		<b>1,364,512</b>	2,095	<b>3,231,255</b>	2,095
<b>GENERAL AND ADMINISTRATION EXPENSES</b>					
Amortization	7,8,9	<b>609,458</b>	-	<b>1,840,552</b>	-
Consulting fees		<b>151,008</b>	27,358	<b>213,223</b>	27,358
Management fees	14	<b>36,000</b>	29,000	<b>108,000</b>	64,000
Office and general		<b>352,218</b>	33,965	<b>998,574</b>	89,281
Professional fees	14	<b>89,626</b>	62,399	<b>280,863</b>	86,968
Transfer agent and filing		<b>5,114</b>	24,265	<b>20,640</b>	45,080
		<b>1,243,424</b>	176,987	<b>3,461,852</b>	312,687
<b>Income (loss) before other items</b>		<b>121,088</b>	(174,892)	<b>(230,597)</b>	(310,592)
<b>OTHER ITEMS</b>					
Accretion expense on convertible debenture	12	<b>(8,199)</b>	(7,337)	<b>(23,679)</b>	(11,958)
Foreign exchange gain (loss)		<b>(67,472)</b>	(73,196)	<b>181,379</b>	(148,483)
Gain on write-off of accounts payable		<b>(89)</b>	-	<b>26,216</b>	-
Interest and loan accretion expense	11,12	<b>(285,246)</b>	(525,131)	<b>(1,342,156)</b>	(273,832)
Interest income		<b>8</b>	-	<b>140</b>	-
Loss on investments	6	<b>(661,775)</b>	(597,900)	<b>(755,772)</b>	(1,034,483)
Realized gain on digital currency	4	<b>152,455</b>	-	<b>152,455</b>	-
Recovery of investments	6	-	-	<b>78,500</b>	-
Share-based payment	13	<b>(3,863)</b>	(227,626)	<b>(82,075)</b>	(227,626)
		<b>(874,181)</b>	(1,431,190)	<b>(1,764,992)</b>	(1,696,382)
<b>Net loss</b>		<b>(753,093)</b>	(1,606,082)	<b>(1,995,589)</b>	(2,006,974)
<b>Other comprehensive loss</b>					
Exchange difference on subsidiary translation		<b>(368,066)</b>	(46,748)	<b>(235,494)</b>	(46,748)
<b>Total comprehensive loss</b>		<b>(1,121,159)</b>	(1,652,830)	<b>(2,231,083)</b>	(2,053,722)
<b>(Loss) income attributable to:</b>					
Shareholders of the Company		<b>(833,572)</b>	(1,596,378)	<b>(2,071,377)</b>	(1,997,270)
Non-controlling interest		<b>80,479</b>	(9,704)	<b>75,788</b>	(9,704)
		<b>(753,093)</b>	(1,606,082)	<b>(1,995,589)</b>	(2,006,974)
<b>Comprehensive income (loss) attributable to:</b>					
Shareholders of the Company		<b>(1,133,546)</b>	(1,634,478)	<b>(2,263,305)</b>	(2,035,370)
Non-controlling interest		<b>12,387</b>	(18,352)	<b>32,222</b>	(18,352)
		<b>(1,121,159)</b>	(1,652,830)	<b>(2,231,083)</b>	(2,053,722)
<b>Basic and diluted loss per share</b>		<b>(0.01)</b>	(0.04)	<b>(0.03)</b>	(0.05)
<b>Weighted average number of shares outstanding - basic</b>		<b>61,254,268</b>	54,877,706	<b>60,419,492</b>	44,196,986

*The notes are an integral part of these condensed interim consolidated financial statements*

**NAMESILO TECHNOLOGIES CORP.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
(Unaudited – Expressed in Canadian Dollars)

	Number of Shares #	Share Capital \$	Subscription advances \$	Convertible Debenture – Equity Component \$	Contributed Surplus \$	AOCI \$	Deficit \$	NCI \$	Total \$
Balance, January 1, 2018	36,507,993	21,539,936	-	-	1,251,950	-	(18,556,670)	-	4,235,216
Issue of share capital, net	16,719,243	5,115,665	-	-	-	-	-	-	5,115,665
Finders' fee – shares	223,075	76,134	-	-	-	-	-	-	76,134
Share issuance cost – cash	-	(131,763)	-	-	-	-	-	-	(131,763)
Share issuance costs – shares	-	(76,134)	-	-	-	-	-	-	(76,134)
Bonus shares issued for loans	3,750,000	1,312,500	-	-	-	-	-	-	1,312,500
Shares issued as earnout payment for acquisition of NameSilo LLC	529,499	180,030	-	-	-	-	-	-	180,030
Exercise of options	740,000	208,421	-	-	(102,671)	-	-	-	105,750
Exercise of warrants	9,375	2,344	-	-	-	-	-	-	2,344
Share-based payment	-	-	-	-	227,626	-	-	-	227,626
Convertible debenture	-	-	-	15,808	30,399	-	-	-	46,207
Net and comprehensive loss for the period	-	-	-	-	-	(38,100)	(1,997,270)	(18,352)	(2,053,722)
Balance, September 30, 2018	58,479,185	28,227,133	-	15,808	1,407,304	(38,100)	(20,553,940)	(18,352)	9,039,853
Share issuance costs – shares	20,000	6,698	-	-	-	-	-	-	6,698
Exercise of warrants	10,713	3,214	-	-	-	-	-	-	3,214
Share-based payment	-	-	-	-	55,712	-	-	-	55,712
Subscriptions received	-	-	18,608	-	-	-	-	-	18,608
Contributions by NCI	-	-	-	-	-	-	-	2,899,932	2,899,932
Net and comprehensive loss for the period	-	-	-	-	-	634,407	(4,931,480)	129,280	(4,167,793)
Balance, December 31, 2018	58,509,898	28,237,045	18,608	15,808	1,463,016	596,307	(25,485,420)	3,010,860	7,856,224
Exercise of warrants	3,813,120	1,077,744	-	-	-	-	-	-	1,077,744
Subscriptions received	-	-	(3,000)	-	-	-	-	-	(3,000)
Share-based payment	-	-	-	-	82,075	-	-	-	82,075
Distributions	-	-	-	-	-	-	-	(272,017)	(272,017)
Net and comprehensive loss for the period	-	-	-	-	-	(191,928)	(2,071,377)	32,222	(2,231,083)
<b>Balance, September 30, 2019</b>	<b>62,323,018</b>	<b>29,314,789</b>	<b>15,608</b>	<b>15,808</b>	<b>1,545,091</b>	<b>404,379</b>	<b>(27,556,797)</b>	<b>2,771,065</b>	<b>6,509,943</b>

*The notes are an integral part of these condensed interim consolidated financial statements*

**NAMESILO TECHNOLOGIES CORP.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited – Expressed in Canadian Dollars)

<b>Nine Months Ended September 30,</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS PROVIDED BY (USED IN):</b>		
<b>Operating activities</b>		
Net loss for the period	(1,995,589)	(2,006,974)
Adjustment for items not involving cash:		
Accretion expense on convertible debenture	23,679	11,958
Amortization	1,840,552	-
Foreign exchange gain	(182,791)	-
Gain on write-off of accounts payable	(26,216)	-
Interest expense and loan accretion	1,319,799	601,957
Share-based payment	82,075	227,626
Loss on investments	755,772	706,358
Recovery of investments	(78,500)	-
	<b>1,738,781</b>	<b>(459,075)</b>
Changes in non-cash working capital related to operations:		
Receivables	1,993	536,398
Prepaid expenses	(10,770)	(1,998)
Registry deposits	2,066,865	368,883
Prepaid domain name registry fees	(3,196,029)	120,663
Digital currency	(1,013,051)	(5,527)
Accounts payable and accrued liabilities	64,986	(2,223,785)
Customer deposits	76,724	(50,485)
Deferred revenue	1,943,717	405,055
Net cash provided by (used in) operating activities	<b>1,673,216</b>	<b>(1,309,871)</b>
<b>Investing activities</b>		
Acquisition of NameSilo LLC	-	(13,816,407)
Sale of investments	184,538	163,436
Purchase of investments	(47,510)	(610,000)
Net cash provided by (used in) investing activities	<b>137,028</b>	<b>(14,262,971)</b>
<b>Financing activities</b>		
Subscription advances	(3,000)	-
Issuance of common shares, net of issuance costs	-	4,983,902
Exercise of options	-	105,750
Exercise of warrants	1,077,744	2,344
(Repayment of) proceeds from loans payable	(2,498,916)	11,347,916
Convertible debenture	-	300,000
Distributions to NCI	(272,017)	-
Net cash (used in) provided by financing activities	<b>(1,696,189)</b>	<b>16,739,912</b>
<b>Foreign exchange on cash</b>	<b>(18,510)</b>	<b>147,477</b>
(Decrease) increase in cash during the period	<b>114,055</b>	<b>1,167,070</b>
Cash – beginning of the period	<b>1,299,847</b>	<b>49,145</b>
Cash – end of the period	<b>1,395,392</b>	<b>1,363,692</b>
Cash paid for interest	-	-
Cash paid for income tax	-	-

Supplemental cash flow information (Note 16)

*The notes are an integral part of these condensed interim consolidated financial statements*

**NAMESILO TECHNOLOGIES CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2019 and 2018**  
(Unaudited – Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

NameSilo Technologies Corp. (the “Company”) is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. On December 3, 2018, the Company changed its name from Brisio Innovations Inc. to NameSilo Technologies Corp. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”). The head office and principal address is 409 Granville Street, Suite 1052, Vancouver, BC, Canada, V6C 1T2. The Company is a provider of domain name registration services and marketplace services for the buying and selling of domain names.

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

For the nine months ended September 30, 2019, the Company had a net loss of \$1,995,589, has a working capital of \$32,330, and has an accumulated deficit of \$27,556,797. These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company’s ability to continue as a going concern is dependent upon generating positive cash flows from operations, earning sufficient returns on its investments, and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

**2. BASIS OF PREPARATION**

**(a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard 34, Interim Financial Reporting. They do not include all the information required for full annual financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on November 25, 2019.

**(b) Basis of consolidation**

These condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries subject to control by the Company:

	Incorporated in	Percentage owned	
		Sept 30, 2019	Dec 31, 2018
Green River Petroleum (USA) Inc.	USA	0%	100%
Netco Argentina S.A.	Argentina	100%	100%
1161217 BC Ltd.	Canada	0%	100%
1155064 BC Ltd.	Canada	100%	100%
NameSilo, LLC (“NameSilo LLC”)	USA	81.5%	81.5%
NameSilo Canada Inc.	Canada	0%	81.5%
NamePal.com, LLC	USA	81.5%	0%

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Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

**(c) Functional and presentation currency**

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

The functional currency of the Company, Green River Petroleum (USA) Inc., Netco Argentina S.A., 1161217 BC Ltd., 1155064 BC Ltd. and NameSilo Canada Inc. is the Canadian dollar. The functional currency of NameSilo, LLC and NamePal.com, LLC is the US dollar. The presentation currency of the Company is the Canadian dollar.

Entities whose functional currencies differ from the presentation currency are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income as cumulative translation differences.

Transactions in foreign currencies are translated into the functional currency at exchange rates at the date of the transactions. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

**(d) Basis of measurement**

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at their fair value.

In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.



# **NAMESILO TECHNOLOGIES CORP.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

### **For the three and nine months ended September 30, 2019 and 2018**

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#### **(e) Use of estimates and judgments**

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant accounting estimates:

- a. The judgment of indications of impairment of each asset and related determination of the net realizable value and write-down of these assets where applicable;
- b. The tax basis of assets and liabilities and related deferred income tax assets and liabilities;
- c. The inputs used in determining the valuation of share purchase warrants owned by the Company; and
- d. The fair value of the convertible debenture.

Significant accounting judgments:

- a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
- b. The Company has used judgment in determining the currency of the primary economic environment in which each entity operates. In making such determination, the management has considered the currency that mainly influences the sale prices and the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained;
- c. There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for digital currencies and management has exercised significant judgement in determining appropriate accounting treatment. In making this determination on the accounting for the digital currencies the Company has reviewed the sources and uses of the digital currencies in the operations of its business. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings;
- d. The acquisition of NameSilo LLC was accounted for as a business combination at fair value in accordance with IFRS 3, *Business Combinations*. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a preliminary purchase price allocation. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired

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including intangible assets and liabilities assumed. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value, and also relies on work performed by third-party valuation specialists. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied; and

e. The going concern risk assessment (see note 1).

**(f) Accounting changes and recent pronouncements**

The Company adopted the following new standard issued by the IASB effective January 1, 2019. The adoption of this standard did not have a material measurement or disclosure impact on the Company's consolidated financial statements.

IFRS 16	Leases
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**3. ACQUISITION OF NAMESILO LLC**

On August 1, 2018, the Company completed the acquisition of NameSilo LLC, whereby the Company has acquired all of the issued and outstanding securities of NameSilo LLC on terms as follows:

- USD\$9,511,500 (CAD\$12,422,300) was paid in cash on closing; and
- An earn-out payment of USD\$2,499,047 was satisfied by USD\$2,360,743 (CAD\$3,072,978) in cash and 529,499 common shares of the Company

The transaction was accounted for as a business combination, as the operations of NameSilo LLC meet the definition of a business. As the transaction was accounted for as a business combination, transaction costs of \$39,089 were expensed. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets represented the sales and growth potential of NameSilo LLC. Goodwill recorded is allocated in its entirety to NameSilo LLC. The consideration transferred was allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The Company has allocated the purchase price as follows:

	\$
Cash	15,495,278
529,499 common shares of the Company	180,030
<b>Fair value of consideration</b>	<b>15,675,308</b>
Cash	274,443
Digital currency	129,376
Registry deposits	2,753,158
Prepaid domain name registry fees	12,985,026
Brand	860,424
Customer relationships (not deductible for tax purposes)	8,585,984
Goodwill (not deductible for tax purposes)	8,273,678
Accounts payable and accrued liabilities	(344,283)
Customer deposits	(819,628)
Deferred revenue	(14,899,797)
Deferred income tax liability	(2,123,073)
	<b>15,675,308</b>

# **NAMESILO TECHNOLOGIES CORP.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

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The fair value of the 529,499 common shares issued (\$180,030) was determined based on the fair value of the Company's shares immediately prior to the completion of the acquisition.

In August 2018, the Company entered into a share purchase agreement with 1161217 B.C. Ltd. (the "Digital Service Company") and the shareholders of the Digital Service Company. In consideration of the Digital Service Company, the Company has transferred 18.5% of the member interest of NameSilo LLC to the shareholders of the Digital Service Company. The value of the 18.5% of the member interest of NameSilo LLC was determined to be \$2,899,932 and is accounted for as a non-controlling interest.

#### **4. DIGITAL CURRENCY**

The Company holds 124 bitcoins with a fair value of \$1,352,894 (USD\$1,021,592) as at September 30, 2019.

The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices or lack of an active market for the digital currencies would have a significant impact on the Company's other comprehensive income and financial position. The Company uses Blockchain.info as the exchange to transact in bitcoin and bitcoin cash.

#### **5. CONVERTIBLE NOTES**

On August 9, 2017, the Company completed an investment in Atlas Engineered Products Ltd. ("Atlas"). The Company subscribed for a convertible note in the principal amount of \$97,500 (the "Convertible Note"). The Convertible Note earned interest at a rate of 5% per annum, calculating and accruing daily from the date of issue, payable in arrears on an annual basis commencing on August 9, 2017, and matured on August 9, 2018.

Since Atlas completed a reverse takeover to list on stock exchange ("Pubco"), the principal amount of the Convertible Note became convertible into 487,500 units of Pubco at \$0.20 per unit. On August 9, 2018, the Convertible Note was converted into 498,579 units of Pubco at a price of \$0.20 per unit. The Company was issued 498,579 common shares of Pubco and 498,579 warrants which entitled the Company to acquire one additional share of Pubco at a price of \$0.40 per share for a period of 12 months from the date of issue.

On December 12, 2017, the Company received a promissory note from Nanalysis Corp. ("Nanalysis") for advancing a principal amount of \$100,000 (the "Convertible Note2"). The purpose of the Convertible Note2 was to assist Nanalysis with a proposed business combination. The Convertible Note2 earned simple, non-compounding interest at a rate of 11% per annum. As the proposed business combination has been terminated, the principal amount plus accrued interest became due and payable in full on July 1, 2021. On October 26, 2018 the principal amount plus accrued interest was repaid in full.

# NAMESILO TECHNOLOGIES CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

### For the three and nine months ended September 30, 2019 and 2018

(Unaudited – Expressed in Canadian Dollars)

#### 6. INVESTMENTS September 30, 2019

	Lite Access Technologies Inc.		Pioneering Technologies		Renoworks Software Inc.		NAMSYS Inc.		Allur Group		Total Telcom Inc.	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Dec 31-18	294,099	114,699	921,300	73,704	137,000	48,635	120,000	66,000	523,332	-	340,000	44,525
Purchased	-	-	-	-	-	-	-	-	-	-	-	-
Converted	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	(667)	(283)	-	-	-	-	(120,000)	(92,960)	-	-	-	-
Write-off recovery	-	-	-	-	-	-	-	-	-	78,500	-	-
Gain (loss)	-	(85,073)	-	(41,459)	-	(18,495)	-	26,960	-	-	-	575
<b>Balance, Sept 30-19</b>	<b>293,432</b>	<b>\$ 29,343</b>	<b>921,300</b>	<b>\$ 32,246</b>	<b>137,000</b>	<b>\$ 30,140</b>	<b>-</b>	<b>\$ -</b>	<b>523,332</b>	<b>\$ 78,500</b>	<b>340,000</b>	<b>\$ 45,100</b>

  

	Vigil Health Solutions		ImmunoPrecise Antibodies		ImmunoPrecise Antibodies – Warrants		Gatekeeper Systems Inc. – Warrants		Ironwood Capital		Riwi Corp	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Dec 31-18	750,000	270,000	2,550,000	1,810,500	250,000	61,332	375,000	-	200,000	60,000	-	-
Purchased	-	-	-	-	-	-	-	-	-	-	19,000	\$ 47,510
Converted	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	-	-	-	-	-	-	-	-	-	-	(18,000)	(55,305)
Expired Warrants	-	-	-	-	-	-	(375,000)	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss)	-	(7,500)	-	(599,250)	-	(60,493)	-	-	-	(39,000)	-	10,165
<b>Balance, Sept 30-19</b>	<b>750,000</b>	<b>\$ 262,500</b>	<b>2,550,000</b>	<b>\$ 1,211,250</b>	<b>250,000</b>	<b>\$ 839</b>	<b>-</b>	<b>\$ -</b>	<b>200,000</b>	<b>\$ 21,000</b>	<b>1,000</b>	<b>\$ 2,370</b>

  

	Atlas Engineered Products Ltd.		Atlas Engineered Products		Total
	Number	Amount	Number	Amount	
Balance, Dec 31-18	998,579	354,495	498,579	19,073	\$ 2,922,963
Purchased	-	-	-	-	47,510
Converted	-	-	-	-	-
Proceeds from sale	(100,000)	(35,990)	-	-	(184,538)
Write-off	-	-	-	-	78,500
Gain (loss)	-	76,871	(498,579)	(19,073)	(755,772)
<b>Balance, Sept 30-19</b>	<b>898,579</b>	<b>\$ 395,376</b>	<b>-</b>	<b>\$ (0)</b>	<b>\$ 2,108,663</b>

# NAMESILO TECHNOLOGIES CORP.

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### For the three and nine months ended September 30, 2019 and 2018

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#### December 31, 2018

	Lite Access Technologies Inc.		Pioneering Technologies		Renoworks Software Inc.		NAMSYS Inc.		Allur Group		Total Telecom Inc.	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Jan. 1, 2018	319,099	\$ 462,694	1,021,300	\$ 868,105	137,000	\$ 30,140	120,000	\$ 76,800	523,332	\$ 78,500	340,000	\$ 105,400
Purchased	-	-	-	-	-	-	-	-	-	-	-	-
Converted	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	(25,000)	(24,595)	(100,000)	(27,195)	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	(78,500)	-	-	-
Gain (loss)	-	(323,400)	-	(767,206)	-	18,495	-	(10,800)	-	-	-	(60,875)
<b>Balance, Dec 31, 2018</b>	<b>294,099</b>	<b>\$ 114,699</b>	<b>921,300</b>	<b>\$ 73,704</b>	<b>137,000</b>	<b>\$ 48,635</b>	<b>120,000</b>	<b>\$ 66,000</b>	<b>523,332</b>	<b>\$ -</b>	<b>340,000</b>	<b>\$ 44,525</b>

  

	Vigil Health Solutions		ImmunoPrecise Antibodies		ImmunoPrecise Antibodies – Warrants		Gatekeeper Systems Inc.		Gatekeeper Systems Inc. – Warrants		Innovotech Inc	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Jan. 1, 2018	750,000	\$ 525,000	1,650,000	\$ 990,000	650,000	\$ 196,229	750,000	\$ 97,500	375,000	\$ 3,597	287,000	\$ 41,615
Purchased	-	-	250,000	250,000	250,000	-	-	-	-	-	-	-
Converted	-	-	650,000	383,500	(650,000)	(188,500)	-	-	-	-	-	-
Proceeds from sale	-	-	-	-	-	-	(750,000)	(74,110)	-	-	(287,000)	(37,535)
Write-off	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss)	-	(255,000)	-	187,000	-	53,603	-	(23,390)	-	(3,597)	-	(4,080)
<b>Balance, Dec 31, 2018</b>	<b>750,000</b>	<b>\$ 270,000</b>	<b>2,550,000</b>	<b>\$ 1,810,500</b>	<b>250,000</b>	<b>\$ 61,332</b>	<b>-</b>	<b>\$ -</b>	<b>375,000</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>

  

	Atlas Engineered Products Ltd.		Atlas Engineered Products		Ironwood Capital		Total
	Number	Amount	Number	Amount	Number	Amount	
Balance, Jan. 1, 2018	500,000	\$ 335,000	-	\$ -	-	\$ -	\$ 3,810,580
Purchased	-	-	-	-	200,000	40,000	290,000
Converted	498,579	314,105	498,579	-	-	-	509,105
Proceeds from sale	-	-	-	-	-	-	(163,435)
Write-off	-	-	-	-	-	-	(78,500)
Gain (loss)	-	(294,610)	-	19,073	-	20,000	(1,444,787)
<b>Balance, Dec 31, 2018</b>	<b>998,579</b>	<b>\$ 354,495</b>	<b>498,579</b>	<b>\$ 19,073</b>	<b>200,000</b>	<b>\$ 60,000</b>	<b>\$ 2,922,963</b>

## NAMESILO TECHNOLOGIES CORP.

### Notes to the Condensed Interim Consolidated Financial Statements

#### For the three and nine months ended September 30, 2019 and 2018

(Unaudited – Expressed in Canadian Dollars)

#### 7. FURNITURE AND EQUIPMENT

	Furniture & Equipment
	\$
Cost:	
Balance, January 1, 2018	-
Additions	8,517
<b>Balance, December 31, 2018 and September 30, 2019</b>	<b>8,517</b>
Accumulated Amortization:	
Balance, January 1, 2018	-
Amortization	159
Balance, December 31, 2018	159
Amortization	1,277
<b>Balance, September 30, 2019</b>	<b>1,436</b>
Net Book Value:	
December 31, 2018	8,358
<b>September 30, 2019</b>	<b>7,081</b>

#### 8. BRAND

The brand was acquired as a result of the acquisition of NameSilo LLC. The brand is amortized using the straight-line method over the useful life of 5 years. The changes in the value of the brand during the year ended December 31, 2018 and nine months ended September 30, 2019 are as follows:

	\$
Balance, December 31, 2017	-
Amount at date of acquisition	860,424
Amortization	(71,702)
Foreign exchange	37,522
Balance, December 31, 2018	826,244
Amortization	(131,790)
Foreign exchange	(23,681)
<b>Balance, September 30, 2019</b>	<b>670,773</b>

#### 9. CUSTOMER RELATIONSHIPS

The brand was acquired as a result of the acquisition of NameSilo LLC. The brand is amortized using the straight-line method over the useful life of 5 years. The changes in the value of the brand during the year ended December 31, 2018 and nine months ended September 30, 2019 are as follows:

## NAMESILO TECHNOLOGIES CORP.

### Notes to the Condensed Interim Consolidated Financial Statements

#### For the three and nine months ended September 30, 2019 and 2018

(Unaudited – Expressed in Canadian Dollars)

	\$
Balance, December 31, 2017	-
Amount at date of acquisition	8,585,984
Amortization	(928,977)
Foreign exchange	363,136
Balance, December 31, 2018	8,020,143
Amortization	(1,707,485)
Foreign exchange	(228,278)
Balance, September 30, 2019	6,084,380

#### 10. DEFERRED REVENUE

Deferred revenue consists of the following as at September 30, 2019 and December 31, 2018:

	September 30, 2019 \$	December 31, 2018 \$
Current	15,292,118	13,820,230
Non-current	1,053,221	581,392
	16,345,339	14,401,622

The increase in the deferred revenue balance is primarily driven by payments received in advance of satisfying out performed obligations, affected by \$21,294,085 of revenue recognized during the nine months ended September 30, 2019. The changes in the value of deferred revenue during the year ended December 31, 2018 and nine months ended September 30, 2019 are as follows:

	\$
Balance, December 31, 2017	-
Amount at date of acquisition	14,899,797
Additions	9,370,672
Transferred to revenue	(9,868,847)
Balance, December 31, 2018	14,401,622
Additions	23,237,802
Transferred to revenue	(21,294,085)
Balance, September 30, 2019	16,345,339

#### 11. LOANS PAYABLE

On May 1, 2018, the Company received a bridge loan financing in the principal amount of \$5,000,000. The loan bore interest at a rate of 8% per annum and was due on November 1, 2018. On June 21, 2018, the Company entered into an amended loan agreement which extended the maturity date to June 21, 2019.

On June 21, 2018, the Company received another bridge loan financing in the principal amount of \$6,347,916 (USD\$4,770,000). The loans bore interest at a rate of 8% per annum and were due on June 21, 2019.

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As an incentive for the lenders entering into the loan agreements, the Company has issued as a bonus a total of 3,750,000 common shares to the lenders. The fair value of the common shares issued (\$1,312,500) has been recorded as transaction costs against the value of the loans payable and is amortized over the term of the loans.

On June 17, 2019, the Company entered into amended loan agreements to restructure the loans. As a result of the restructuring, the Company repaid \$2,221,232 of the principal amount of the loans and the maturity date of the loans have been extended to December 17, 2020. The Company is now indebted to the lenders in the principal amount of \$4,430,000, USD\$2,115,000, and USD\$2,115,000 respectively. Each loan bears interest at a rate of 11% per annum and is payable on a quarterly basis. The Company will be required to pay 25% of each loan by July 17, 2020 and the balance of the loans by December 17, 2020. The loans remain unsecured and are pre-payable at any time without penalties.

	\$
Balance, December 31, 2017	-
Amount at date of issue	11,347,916
Transaction costs	(1,312,500)
Amortization of transaction costs	694,007
Interest expense	531,183
Foreign exchange	169,371
Balance, December 31, 2018	11,429,977
Repayment	(2,498,916)
Amortization of transaction costs	618,493
Interest expense	701,306
Foreign exchange	(182,791)
Balance, September 30, 2019	10,068,069

**12. CONVERTIBLE DEBENTURE**

On May 2, 2018, the Company issued a convertible debenture in the principal amount of \$300,000. The debentures are secured on the assets of the Company, bear interest at a rate of 10% per annum, payable semi-annually and due eighteen months after closing. The debenture is convertible into common shares of the Company at a price of \$0.50 per share. Further, the holder received a total of 300,000 detachable share purchase warrants. The warrants are exercisable at a price of \$0.65 per share for a period of eighteen months from the date of issue.

For accounting purposes, the convertible debenture is separated into liability and equity components. The fair value of the liability component is calculated as the discounted cash flows for the exchangeable note assuming a 15% effective interest rate which is the estimated rate for convertible debentures without a conversion feature. The fair value of the equity component (conversion feature) is determined as the difference between the face value of the convertible debenture and the fair value of the liability component.

The fair value of the share purchase warrants is estimated to be \$30,399 based on the Black-Scholes option pricing model. The following assumptions were used for the fair value determination of the warrants: dividend yield of 0%, expected volatility of 100.8%, a risk-free interest rate of 0.73% and an expected life of 1.5 years. The fair value of the share purchase warrants is allocated between the liability and equity components of the convertible debenture on a pro rata basis.



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During the three and nine months ended September 30, 2019, the Company recorded accrued interest of \$7,562 and \$22,357 on the convertible debenture. The changes in the value of the convertible debenture during the year ended December 31, 2018 and nine months ended September 30, 2019 are as follows:

	Liability Component (\$)	Equity Component (\$)
Balance, December 31, 2017	-	-
Amount at date of issue	282,409	17,591
Transaction costs	(28,616)	(1,783)
Accretion	19,503	-
Balance, December 31, 2018	273,296	15,808
Accretion	23,679	-
Balance, September 30, 2019	296,975	15,808

Subsequent to September 30, 2019, the Company repaid \$130,000 of the convertible debenture.

**13. SHARE CAPITAL**

(a) Authorized

Unlimited number of common shares without par value.  
Unlimited number of preferred shares without par value.

(b) Issued

	June 30, 2019		December 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Common shares:				
Balance, beginning of period	58,509,898	\$28,237,045	36,507,993	\$21,539,936
Private placement	-	-	16,719,243	5,115,665
Bonus shares	-	-	3,750,000	1,312,500
Earn-out payment - shares	-	-	529,499	180,030
Warrants exercised	3,813,120	1,077,744	20,088	5,558
Finders' fee – shares	-	-	243,075	85,077
Share issuance costs	-	-	-	(210,142)
Options exercised	-	-	740,000	208,421
Balance, end of period	<b>62,323,018</b>	<b>\$29,314,789</b>	<b>58,509,898</b>	<b>\$28,237,045</b>

## **NAMESILO TECHNOLOGIES CORP.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

#### **For the three and nine months ended September 30, 2019 and 2018**

(Unaudited – Expressed in Canadian Dollars)

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In January 2018, the Company closed a non-brokered private placement of 5,000,000 units at a price of \$0.20 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional share at a price of \$0.30 per share for a period of two years from closing of the financing. In the event the average closing price is equal to or greater than \$0.45 per share for a period of twenty consecutive trading days, the Company may accelerate the expiry date of the warrants to a date that is thirty days after the notice of completion of such period.

In May and July 2018, the Company closed a non-brokered private placement of 11,719,243 shares at a price of \$0.35 per share for gross proceeds of \$4,115,665. In connection with the private placement, the Company incurred \$210,142 in share issue costs and cash finders' fees and issued 243,075 finders shares valued at \$85,077.

In August 2018, the Company issued 529,499 shares as an earnout payment pursuant to the acquisition of NameSilo LLC. Refer to Note 3.

In August 2018, as an incentive for the lenders entering into the loan agreements, the Company has issued as a bonus a total of 3,750,000 common shares to the lenders. Refer to Note 11.

During the year ended December 31, 2018, 9,375 warrants were exercised at a price of \$0.25 for gross proceeds of \$2,344 and 10,713 warrants were exercised at a price of \$0.3 for gross proceeds of \$3,214.

During the year ended December 31, 2018, the aggregate of 740,000 options were exercised for gross proceeds of \$105,750. A value of \$102,671 was transferred from contributed surplus to share capital as a result. The weighted average share price at dates the stock options were exercised was \$0.35.

During the nine months ended September 30, 2019, 1,323,833 warrants were exercised at a price of \$0.25 for gross proceeds of \$330,958 and 2,489,287 warrants were exercised at a price of \$0.30 for gross proceeds of \$746,786.

(c) **Stock options**

The Company has a stock option plan in accordance with the policies on the Canadian Securities Exchange whereby, from time to time at the discretion of the Board of Directors, stock options are granted to directors, officers and certain consultants.

Under the plan up to 10% of the total number of issued common shares of the Company, calculated on a non-diluted basis, at the time an option is granted are available for the issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options can be granted for a maximum term of 10 years. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares issued and outstanding at the time of grant unless disinterested shareholder approval is obtained. Any options granted to consultants or persons performing Investor Relations under the Amended Stock Option Plan shall vest to the optionee as follows: 25% at date of grant, 25% six months from date of grant, 25% nine months from date of grant and the remaining

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25% twelve months from the date of grant. All other options granted under the Amended Stock Option Plan shall have vesting terms set at the discretion of the Board of Directors.

A summary of the stock option activity is as follows:

	<b>September 30, 2019</b>		December 31, 2018	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of period	3,100,000	\$0.27	2,640,000	\$0.19
Granted	675,000	\$0.44	1,300,000	\$0.35
Expired	(300,000)	\$0.30	(100,000)	\$0.15
Exercised	-	-	(740,000)	\$0.14
<b>Balance, end of period</b>	<b>3,475,000</b>	<b>\$0.30</b>	<b>3,100,000</b>	<b>\$0.27</b>

As at September 30, 2019, the Company has outstanding directors' and employees' incentive stock options enabling the holders to acquire additional common shares as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
100,000	100,000	\$0.45	April 5, 2021
500,000	500,000	\$0.10	August 4, 2021
1,000,000	1,000,000	\$0.23	December 20, 2022
1,300,000	1,300,000	\$0.35	August 8, 2023
250,000	250,000	\$0.45	March 22, 2024
325,000	-	\$0.42	September 16, 2024
<b>3,475,000</b>	<b>3,150,000</b>		<b>3.47 years remaining</b>

In August 2018, the Company granted a total of 1,300,000 stock options to its officers, directors and persons providing investor relations services. The options are exercisable at a price of \$0.35 per share for a period of five years from the date of grant.

On March 22, 2019, the Company granted 250,000 stock options to a director. The options are exercisable at a price of \$0.45 per share for a period of five years from the date of grant.

On April 5, 2019, the Company granted 100,000 stock options to a consultant. The options are exercisable at a price of \$0.45 per share for a period of two years from the date of grant.

On September 16, 2019, the Company granted 325,000 stock options to employees. The options are exercisable at a price of \$0.42 per share for a period of five years from the date of grant.

## NAMESILO TECHNOLOGIES CORP.

### Notes to the Condensed Interim Consolidated Financial Statements

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For the three and nine months ended September 30, 2019, \$3,863 and \$82,075 (2018 - \$227,626 and \$227,626) has been recorded as share-based payment relating to options granted during the period. The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: Dividend yield 0%; expected annual volatility 100%; risk-free interest rate 1.89%; market share price of \$0.40; forfeiture rate of 0% and expected life of 2.85 years. Expected volatility was based on the historical share price volatility over the past 5 years. The expected life of the option was calculated based on the history of option exercises.

(d) Warrants

	September 30, 2019		December 31, 2018	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of period	4,113,120	\$0.31	1,333,208	\$0.25
Issued	-	-	2,800,000	0.34
Exercised	(3,813,120)	(0.28)	(20,088)	(0.28)
Balance, end of period	300,000	\$0.65	4,113,120	\$0.31

As at September 30, 2019, the Company has outstanding share purchase warrants as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
300,000	\$0.65	November 2, 2019
300,000		

The outstanding warrants have a weighted average remaining life of 0.09 years.

#### 14. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to parties not at arm's length to the Company for the three and nine months ended September 30, 2019 and 2018 are:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Professional fees	23,013	18,914	53,793	26,252
Management fees	36,000	29,000	108,000	64,000
Share-based payment	-	-	57,357	-
	59,013	47,914	219,150	90,252

## **NAMESILO TECHNOLOGIES CORP.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

#### **For the three and nine months ended September 30, 2019 and 2018**

(Unaudited – Expressed in Canadian Dollars)

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During the three and nine months ended September 30, 2019, Paul Andreola, President and Director was paid or accrued management fees of \$18,000 and \$54,000 (2018 - \$14,500 and \$29,500), Colin Bowkett, Director was paid or accrued management fees of \$18,000 and \$54,000 (2018 - \$14,500 and \$29,500), Daniel Nanson, Director was paid or accrued professional fees of \$6,300 and \$12,600 (\$nil and \$nil), Scott MacEachern, former Chief Financial Officer was paid management fees of \$nil and \$nil (2018 - \$nil and \$5,000) and Malaspina Consultants Inc., a company in which Natasha Tsai, Chief Financial Officer was an associate until July 31, 2018 and a shareholder thereafter, was paid or accrued management fees of \$10,413 and \$34,893 (2018 - \$18,914 and \$26,252).

Included in accounts payable and accrued liabilities at September 30, 2019 is \$3,608 (December 31, 2018 - \$12,149) due to officers and directors for unpaid management fees.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the nine months ended September 30, 2019 and 2018.

#### **15. DETERMINATION OF FAIR VALUES**

Estimates of the fair value of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. At September 30, 2019, the Company's financial instruments include cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, loans payable and convertible debenture. Accounts receivable, accounts payable and accrued liabilities, loans payable and convertible debenture are recognized on the consolidated statement of financial position at their carrying value which approximated their fair value due to their short-term nature.

All financial instruments measured at fair value are categorized into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

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

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

## NAMESILO TECHNOLOGIES CORP.

### Notes to the Condensed Interim Consolidated Financial Statements

#### For the three and nine months ended September 30, 2019 and 2018

(Unaudited – Expressed in Canadian Dollars)

<b>September 30, 2019</b>	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 1,395,392	\$ -	\$ -	\$ 1,395,392
Investment - shares	\$ 2,107,824	\$ -	\$ -	\$ 2,107,824
Investment - warrants	\$ -	\$ -	\$ 839	\$ 839
<b>December 31, 2018</b>	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 1,299,847	\$ -	\$ -	\$ 1,299,847
Investment - shares	\$ 2,842,558	\$ -	\$ -	\$ 2,842,558
Investment - warrants	\$ -	\$ -	\$ 80,405	\$ 80,405

#### 16. SUPPLEMENTAL CASH FLOW INFORMATION

The following changes in liabilities arose from financing activities:

	<b>December 31, 2018</b>	<b>Cash Flows</b>	<b>Accretion</b>	<b>Foreign exchange movements</b>	<b>September 30, 2019</b>
	\$	\$	\$	\$	\$
Loans payable	11,429,977	(2,498,916)	1,319,799	(182,791)	10,068,069
Convertible debenture	273,296	-	23,679	-	296,975
<b>Total</b>	<b>11,703,273</b>	<b>(2,498,916)</b>	<b>1,343,478</b>	<b>(182,791)</b>	<b>10,365,044</b>