



(Formerly Chinook Tye Industry Limited)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2019**

**(Unaudited – Prepared by Management)**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED 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 the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**AMP GERMAN CANNABIS GROUP INC.**  
(Formerly Chinook Tyee Industry Limited)  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
September 30, 2019 and December 31, 2018  
(Expressed in Canadian Dollars)

	Notes	September 30, 2019	December 31, 2018
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 444,013	\$ 53,358
Accounts receivable and prepaid expenses	5	60,247	25,912
Assets held for sale	6	206,487	9,750
		<u>710,747</u>	<u>89,020</u>
Equipment		4,494	-
Long-term investment	6	-	220,038
Investment loan receivable	7	1,359,347	2,018,626
<b>Total assets</b>		<u>\$ 2,074,588</u>	<u>\$ 2,327,684</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables	8	\$ 249,236	\$ 152,189
Loan payable	9	405,532	259,958
		<u>654,768</u>	<u>412,147</u>
<b>Equity</b>			
Share capital	10	1,604,898	174,613
Share based payment reserve	10	3,225,618	2,744,438
Foreign currency translation reserve		14,828	179,314
Deficit		(3,425,524)	(1,182,828)
Total equity		<u>1,419,820</u>	<u>1,915,537</u>
<b>Total liabilities and equity</b>		<u>\$ 2,074,588</u>	<u>\$ 2,327,684</u>

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

**AMP GERMAN CANNABIS GROUP INC.**  
(Formerly Chinook Tyee Industry Limited)  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
**NINE MONTHS ENDED SEPTEMBER 30,**  
(Expressed in Canadian Dollars)

	Notes	Nine Months September 30, 2019	Nine Months September 30, 2018	Three Months September 30, 2019	Three Months September 30, 2018
<b>Interest revenue</b>		\$ 3,943	\$ 232	\$ 3,567	\$ 76
<b>Expenses</b>					
Corporate governance expenses	12	46,620	24,825	10,727	8,275
General and administration expenses	11	1,558,270	156,341	531,528	61,032
Interest		22,797	-	7,961	-
Share based compensation		477,200	-	418,350	-
Public company shareholder expenses		135,057	21,520	85,682	1,569
		<u>2,239,944</u>	<u>202,686</u>	<u>1,054,248</u>	<u>70,876</u>
Foreign exchange		(21,282)	-	(10,915)	-
Unrealized loss on marketable securities		5,820	-	2,820	-
Income taxes		22,157	-	11,203	-
<b>Loss for the period</b>		(2,242,696)	(202,454)	(1,053,789)	(70,800)
<b>Other comprehensive loss</b>					
Foreign currency translation differences on foreign operations		(164,486)	(16,221)	(60,726)	(66,502)
Net change in fair value of available for sale financial asset		-	(30,300)	-	(3,675)
<b>Comprehensive loss for the period</b>		<u>\$ (2,407,182)</u>	<u>\$ (248,975)</u>	<u>\$ (1,114,515)</u>	<u>\$ (140,977)</u>
<b>Weighted average number of common shares outstanding</b>		14,346,817	10,217,796	20,449,535	10,217,796
Loss per common share, basic and diluted		<u>\$ (0.16)</u>	<u>\$ (0.02)</u>	<u>\$ (0.05)</u>	<u>\$ (0.01)</u>

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

**AMP GERMAN CANNABIS GROUP INC.**  
(Formerly Chinook Tye Industry Limited)  
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY  
NINE MONTHS ENDED SEPTEMBER 30,  
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Share-based payment reserve	Foreign Currency Translation Reserve	Deficit	Total equity
Balance, December 31, 2017	10,217,796	\$ 174,613	\$ 2,744,438	\$ 108,146	\$ (387,942)	\$ 2,639,255
Loss for the period	-	-	-	-	(202,454)	(202,454)
Foreign currency translation	-	-	-	(46,521)	-	(46,521)
Change in fair value of available for sale financial assets	-	-	-	-	-	-
Balance, September 30, 2018	10,217,796	174,613	2,744,438	61,625	(590,396)	2,390,280
Loss for the period	-	-	-	-	(592,432)	(592,432)
Foreign currency translation	-	-	-	117,689	-	117,689
Balance, December 31, 2018	10,217,796	174,613	2,744,438	179,314	(1,182,828)	1,915,537
Loss for the period	-	-	-	-	(2,242,696)	(2,242,696)
Shares issued in private placement	10,000,000	1,500,000	-	-	-	1,500,000
Shares issued on exercise of stock options	820,000	123,000	-	-	-	123,000
Share issuance costs	-	(240,025)	-	-	-	(240,025)
Fair value stock options	-	47,310	(47,310)	-	-	-
Fair value warrants	-	-	51,290	-	-	51,290
Share based compensation	-	-	477,200	-	-	477,200
Foreign currency translation	-	-	-	(164,486)	-	(164,486)
Balance, September 30, 2019	21,037,796	\$ 1,604,898	\$ 3,225,618	\$ 14,828	\$ (3,425,524)	\$ 1,419,820

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

**AMP GERMAN CANNABIS GROUP INC.**  
(Formerly Chinook Tye Industry Limited)  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**NINE MONTHS ENDED SEPTEMBER 30,**  
(Expressed in Canadian Dollars)

	Nine Months ended September 30, 2019	Nine Months ended September 30, 2018	Three Months ended September 30, 2019	Three Months ended September 30, 2018
<b>CASH PROVIDED BY (USED IN):</b>				
<b>OPERATING ACTIVITIES</b>				
Loss for the period	\$ (2,242,696)	\$ (202,454)	\$ (1,053,789)	\$ (70,800)
Items not affecting cash:				
Non-cash loan interest	22,583	-	7,961	-
Unrealized loss on marketable securities	5,820	-	2,820	-
Share based compensation	477,200	-	418,350	-
	<u>(1,737,093)</u>	<u>(202,454)</u>	<u>(624,658)</u>	<u>(70,800)</u>
Changes in non-cash working capital items				
Receivables and prepaids	(34,335)	37,834	23,090	1,020
Accounts payable and accrued liabilities	97,047	(12,814)	(109,398)	1,649
	<u>(1,674,381)</u>	<u>(177,434)</u>	<u>(710,966)</u>	<u>(68,131)</u>
<b>INVESTING ACTIVITIES</b>				
Acquisition of equipment	(4,725)	-	-	-
Investment loan receivable	521,500	-	(7,000)	-
	<u>516,775</u>	<u>-</u>	<u>(7,000)</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>				
Shares issued for cash	1,623,000	-	123,000	-
Share issue costs	(188,737)	-	(49,849)	-
Loan payable	147,036	-	-	-
	<u>1,581,299</u>	<u>-</u>	<u>73,151</u>	<u>-</u>
Effect of foreign exchange on cash	<u>(33,038)</u>	<u>49,629</u>	<u>(12,842)</u>	<u>48,098</u>
Change in cash during the period	390,655	(127,805)	(657,657)	(20,033)
Cash, beginning of the period	53,358	172,589	1,101,670	64,817
Cash, end of the period	<u>\$ 444,013</u>	<u>\$ 44,784</u>	<u>\$ 444,013</u>	<u>\$ 44,784</u>

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

**AMP GERMAN CANNABIS GROUP INC.**

(Formerly Chinook Tye Industry Limited)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS**

AMP German Cannabis Group Inc. ("the Company" or "AMP") is incorporated in the Province of British Columbia in Canada with its registered office located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2 and a representative office at Charlottenstrasse 59, Berlin, Germany, 10117.

The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol, "XCX" and on the Frankfurt Stock Exchange trading symbol is "C4T". The Company is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario and Quebec.

On August 22, 2019, the Company changed its name to AMP German Cannabis Group Inc. from Chinook Tye Industry Limited.

The reporting currency of AMP's consolidated financial statements is the Canadian dollar ("C\$").

**2. BASIS OF PRESENTATION**

These consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting". These consolidated interim financial statements do not include all of the information required for annual financial statements.

These consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements of the Company for the year ended December 31, 2018. The disclosures provided below are incremental to those included with the annual consolidated financial statements and certain disclosures, which are normally required to be included in the notes to the annual consolidated financial statements, have been condensed or omitted. These consolidated interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company's annual consolidated financial statements for the year ended December 31, 2018.

The consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2019.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of consolidation**

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for investments in associates and jointly controlled entities that are accounted for using the equity method and certain financial instruments and investments which are measured at fair value.

The Company consolidates subsidiaries over which it has control, where control is the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities.

These consolidated financial statements include the accounts of its wholly-owned investment subsidiaries AMP Alternative Medical Products Canada Limited ("AMP Canada") of Canada, AMP Alternative Medical Products GmbH ("AMP Germany") of Germany, Alternative Medical Products Switzerland GmbH ("AMP Swiss") of Switzerland and its 99% owned subsidiary Mercury Partners & Company plc ("AMP Malta") of Malta. Chinook Swiss changed its name to Alternative Medical Products Switzerland GmbH in June 2019. Mercury Partners & Company plc has applied to change its name to Alternative Medical Products Malta plc.

**AMP GERMAN CANNABIS GROUP INC.**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Basis of consolidation (cont'd...)**

MPC owns 50% of the share capital of a Malta incorporated joint-venture investment company ("MPC-JV"), which is accounted for using the equity method.

**Basis of preparation**

The functional currency of AMP and its wholly-owned investment subsidiary AMP Canada is the Canadian dollar ("C\$"). The functional currency of AMP Germany, AMP Malta and MPC-JV is the Euro ("€"). AMP Swiss' functional currency is the Swiss Franc ("CHF").

**4. CASH AND CASH EQUIVALENTS**

	<u>2019</u>	<u>2018</u>
Cash	\$ 144,013	\$ 53,358
Guaranteed Investment Certificate	300,000	-
	<u>\$ 444,013</u>	<u>\$ 53,358</u>

**5. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES**

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 3,901	\$ 12,555
Prepaid expenses	56,346	13,357
	<u>\$ 60,247</u>	<u>\$ 25,912</u>

**6. ASSETS HELD FOR SALE**

	<u>2019</u>	<u>2018</u>
(1) Peekaboo Beans Inc. ("PBI")	\$ 3,375	\$ 9,750
(2) Taiga Atlas plc ("Taiga")	203,112	220,038
	<u>\$ 206,487</u>	<u>\$ 229,788</u>

(1) MPC owns 75,000 shares of PBI. At September 30, 2019, the shares had a fair value of \$3,375 (2018 - \$9,750) and the Company has recognized an unrealized loss of \$5,820 (2018 - \$30,300).

(2) MPC owns 184,342 shares of Taiga, which is a Malta public liability company. The shares were acquired in partial settlement of the investment loan received (note 7) and are carried at their estimated fair value.

**AMP GERMAN CANNABIS GROUP INC.**

(Formerly Chinook Tyee Industry Limited)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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(Expressed in Canadian Dollars)

**7. INVESTMENT LOAN RECEIVABLE**

	CDN\$		€	
	2019	2018	2019	2018
Loan receivable MPC-JV	\$ 2,018,626	\$ 2,230,735	1,293,991	1,443,955
Interest capitalized to loan	-	55	-	36
Repayments	(521,500)	(50,363)	(350,000)	-
Impairment	-	(229,500)	-	(150,000)
FX conversion	(137,779)	67,699	-	-
	<u>\$ 1,359,347</u>	<u>\$ 2,018,626</u>	<u>943,991</u>	<u>1,293,991</u>

The Company, through MPC, holds a loan receivable from MCP-JV which is unsecured and bears interest at 0.0025%, which is capitalized to the loan annually.

MPC-JV is accounted for using the equity method. Initially, the carrying value was attributed to the loans receivable and no value was attributed to the equity accounted investment and its carrying value is \$nil (2018 - \$nil). The Company has reviewed the underlying assets of MCP-JV and its investments. During 2018, based on factors such as timing and uncertainty of collection, management concluded that the recoverable amount is expected to be adequate to cover the loans held by the Company, net of an impairment of \$229,500 (€150,000). However, additional returns beyond this are uncertain.

All inter-company transactions and balances have been eliminated upon consolidation.

**8. TRADE AND OTHER PAYABLES**

	2019	2018
Trade payables	\$ 242,486	\$ 109,664
Accrued liabilities	6,750	42,525
	<u>\$ 249,236</u>	<u>\$ 152,189</u>

**9. LOAN PAYABLE**

During the year ended December 31, 2018, the Company entered into non-secured credit facility for €500,000, bearing interest at 8% per annum and maturing on December 31, 2020. As of September 30, 2019, \$405,532 / €265,000 (2018 - \$259,958 / €165,000) was drawn-down.

**10. CAPITAL AND OTHER COMPONENTS OF EQUITY**

As of September 30, 2019, the Company had 21,037,796 (2018 - 10,217,796) voting common shares issued and outstanding.

The Company has retroactively restated all share and per share information disclosed in these financial statements for a share split of its common shares on a 1 old for 3 new basis completed on December 5, 2018.



**AMP GERMAN CANNABIS GROUP INC.**

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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(Expressed in Canadian Dollars)

**10. CAPITAL AND OTHER COMPONENTS OF EQUITY (cont'd...)**

On June 12, 2019, the Company completed a Series A non-brokered placement of 10,000,000 common shares at a price of \$0.15 per common share for proceeds of \$1,500,000. The Company paid finder's fees of \$36,034 and issued 240,228 finders warrants, which may be exercised for the purchase of one common share at a price of \$0.15 per common share until December 12, 2019.

On September 5, 2019, the Company, issued 820,000 shares on the exercise of stock options for proceeds of \$123,000.

**Stock Options**

As of September 30, 2019, the Company had 2,323,779 stock options outstanding issued to its directors, officers, employees and consultants in Germany, Switzerland and Canada pursuant to its stock option plan.

On May 8, 2019, the Company granted incentive stock options to purchase up to 1,020,000 common shares including 655,000 options to directors and officers. Each option vests immediately, has an exercise price of \$0.15 per share and expires on May 8, 2020. On September 5, 2019, 820,000 stock options were exercised for proceeds of \$123,000.

On September 6, 2019, the Company granted incentive stock options to purchase up to 2,123,779 common shares, including 1,175,000 options to directors and officers. Each option vests immediately, has an exercise price of \$0.50 per share and expires on September 6, 2020.

The fair value of the options, estimated on the date of grant, were valued at \$58,850 and \$418,350, respectively, using the Black-Scholes Option Pricing Model and the following assumptions:

	1,020,000 Options	2,123,779 Options
Risk-free interest rate	1.47%	1.49%
Expected life	0.5	1.0
Annualized volatility	106%	116%
Dividend rate	\$Nil	\$Nil

The Company's stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2018	-	
Granted	1,020,000	0.15
Exercised	(820,000)	0.15
Granted	2,123,799	0.50
Balance, September 30, 2019	2,323,799	0.47

**AMP GERMAN CANNABIS GROUP INC.**

(Formerly Chinook Tyee Industry Limited)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2019

(Expressed in Canadian Dollars)

**10. CAPITAL AND OTHER COMPONENTS OF EQUITY (cont'd...)****Stock Options (cont'd...)**

The following table summarizes the options outstanding and exercisable at September 30, 2019:

Exercise Price	Number Outstanding	Expiry Date
\$ 0.15	200,000	May 8, 2020
\$ 0.50	2,123,799	September 6, 2020
	<b>2,323,799</b>	

**Finder Warrants**

As of September 30, 2019, the Company had 240,228 Series A finder warrants outstanding, which may be exercised for the purchase of one common share at a price of \$0.15 per common share with an expiry date of December 12, 2019.

The warrants were valued at \$51,290 using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate - 1.47%

Expected life - 0.5

Annualized volatility - 125%

Dividend rate - \$Nil

**Share-based payment reserve**

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**Basic and diluted loss per share**

The calculation of basic and diluted loss per share for the nine months ended September 30, 2019, was based on the loss attributable to common shareholders of \$2,242,696 (2018 - \$202,454) and the weighted average number of common shares outstanding of 14,346,817 (2018 - 10,217,796).

Diluted loss per share for the nine months ended September 30, 2019 does not include the effect of 2,323,779 stock options (2018 - \$Nil) and 240,228 share purchase warrants (2018 - \$Nil) as the effect would be anti-dilutive.

**AMP GERMAN CANNABIS GROUP INC.**

(Formerly Chinook Tyee Industry Limited)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2019

(Expressed in Canadian Dollars)

**11. GENERAL AND ADMINISTRATION EXPENSES**

	Nine Months ended September 30, 2019	Nine Months ended September 30, 2018	Three Months ended September 30, 2019	Three Months ended September 30, 2018
Consulting fees	\$ 652,168	\$ -	\$ 114,570	\$ -
Executive management fees	339,668	17,575	182,608	17,575
Office and supplies	207,720	41,002	61,766	12,244
Professional fees	205,824	18,845	121,889	4,886
Rent and insurance	48,583	40,119	12,122	13,373
Salaries and benefits	104,307	38,800	38,573	12,954
	<u>\$ 1,558,270</u>	<u>\$ 156,341</u>	<u>\$ 531,528</u>	<u>\$ 61,032</u>

**12. RELATED PARTY TRANSACTIONS**

During the nine months ended September 30, 2019:

The Company paid directors and management fees of \$376,888 (2018 - \$15,375) to directors of the Company and paid or accrued professional fees of \$37,350 (2018 - \$18,900) to its Chief Financial Officer's consulting company for accounting services.

Included in accounts payable at September 30, 2019 is \$6,750 owing to one officer of the Company for accounting fees.

**13. CAPITAL MANAGEMENT**

The Company's capital is comprised of shareholders' equity less reserves and liabilities. Cash and cash equivalents, short-term investments, loans receivable and equity-accounted investments are managed for liquidity and operational requirements in conjunction with budgeted or expected capital needs. The Company's objective when managing capital is to maintain its ability to retain sufficient liquidity to make investments as opportunities arise and to continue to meet ongoing expenditure and operational needs.

The Company manages the capital structure and makes adjustments to its capital management strategies when economic conditions or risk characteristics of its capital change. To maintain or adjust the capital structure, the Company may consider the issuance of shares, acquire or dispose of assets or adjust the amount of cash or short-term investments held.

Currently, the Company's strategy is to monitor economic conditions and capital markets and to allocate operating capital for investment opportunities arising from market conditions.

The Company is not subject to externally imposed capital requirements. The Company's overall capital management strategy remains unchanged from the prior year.

## **14. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, accounts receivable, marketable securities, long-term investment, loans receivable, accounts payable and loan payable.

### **Fair value**

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

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 - Inputs that are not based on observable market data.

The Company's cash and investment in PBI are classified as Level 1 and the investment in Taiga is classified as Level 3. Taiga is a private company with no quoted prices and there are inherent uncertainties in the measuring the value of this investment. The fair value of the Taiga shares on acquisition was estimated based on the amount of the loan that was settled. This estimate is highly subjective and subject to change based on the extent to which Taiga is able to realize on its assets and ultimately, on how much the Company will be able to realize on disposal of these shares.

The Company is exposed in varying degrees to financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of investment policies, counterparty credit limits and liquidity concerns. The more significant risk exposure and the way in which such exposure is managed is described below.

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary credit risk is on its investment loan receivable (note 7). The loan is subject to MPC-JV realizing on its investments, including its shares of Taiga. Taiga is a private company and one of its primary assets is an under-performing loan which remains subject to court proceedings. While management believes that it will recover this loan, credit risk is assessed as high.

The Company's other exposure to credit risk is on its cash and GIC's held in bank accounts. The majority of cash is deposited in bank accounts or held in a GIC with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

### **Currency risk**

The Company holds cash in Canadian, Euro and US currencies and makes investments in foreign companies, equities and financial instruments. Accordingly, there is risk of losses from volatility in foreign currency fluctuations.

The Company's investments are subject to foreign currency risk, which may adversely affect the Company's financial position, results of operations and cash flows. The following table summarizes the geographical distribution of the Company's financial instruments in Canadian dollars at September 30, 2019:

**14. FINANCIAL INSTRUMENTS (cont'd...)**

**Currency risk (cont'd...)**

	Euro	US Dollar	CDN Dollar	Total
Cash and accounts receivable	14%	0%	86%	100%
Loans receivable	100%	0%	0%	100%
Marketable securities	0%	0%	100%	100%
Long-term investment	100%	0%	0%	100%
Trade and other payables	5%	0%	95%	100%
Loan payable	100%	0%	0%	100%

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of its investment in money market funds included in cash is limited as the money market funds may be redeemed at any time without penalty. The Company's loans receivable have fixed interest rates and are not affected by changes in interest rates and the Company's loan payable bears no interest and is not affected by changes in interest rates.

**Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet financial obligations as they fall due. The Company manages liquidity risk through management of its capital structure as outlined in note 13.