



**REWARDSTREAM SOLUTIONS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2020 AND 2019**

**(Expressed in Canadian Dollars)
(Unaudited – prepared by management)**

Notice of No Auditor Review of Condensed Interim Financial Statements

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim financial statements for the six months ended March 31, 2020. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

REWARDSTREAM SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at March 31, 2020 and September 30, 2019
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	March 31, 2020	September 30, 2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 16,664	\$ 1,221
Accounts receivable	7,701	74,452
Prepaid expenses (Note 6)	28,069	43,069
Total assets	\$ 52,434	\$ 118,742
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 127,413	\$ 133,319
Loan payable (Note 4)	30,409	-
Total liabilities	157,822	133,319
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 5)	15,996,267	15,996,267
Share-based compensation reserve	1,860,580	1,860,580
Warrant reserve	288,995	288,995
Deficit	(18,251,230)	(18,160,419)
Total equity (deficiency)	(105,388)	(14,577)
Total liabilities and shareholders' equity (deficiency)	\$ 52,434	\$ 118,742

Nature of business and continuance of operations (Note 1)

Approved and authorized by the Board of Directors:

"Patrick C.T. Morris"
Patrick C.T. Morris, Director

"Geoff Balderson"
Geoff Balderson, Director

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

REWARDSTREAM SOLUTIONS INC.**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

For the three and six months ended March 31, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

	Three months ended March 31,		Six months ended March 31,	
	2020	2019	2020	2019
		(Note 9)		(Note 9)
EXPENSES				
Consulting fees (Note 6)	\$ 24,600	\$ 85,575	\$ 58,200	\$ 379,400
Interest and bank charges	432	52	471	97
Office and miscellaneous	-	2,483	-	9,173
Professional fees	2,365	58,782	3,734	58,782
Property investigation cost	-	35,870	-	35,870
Rent	-	12,906	12,000	12,906
Transfer agent and filing fees	10,964	8,613	13,457	8,613
Travel expenses	-	2,055	4,256	32,185
	38,361	206,336	92,118	537,026
Net loss before other item	(38,361)	(206,336)	(92,118)	(537,026)
OTHER ITEM				
Interest income	-	-	1,307	-
Net loss and comprehensive loss for the period	\$ (38,361)	\$ (206,336)	\$ (90,811)	\$ (537,026)
Basic and diluted loss per share	(0.02)	(0.12)	(0.05)	(0.31)
Weighted average number of common shares outstanding	1,748,123	1,748,123	1,748,123	1,748,123

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

REWARDSTREAM SOLUTIONS INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**

For the six months ended March 31, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

	SHARE CAPITAL		RESERVES		Deficit	Total Equity (Deficiency)
	Number of Shares	Amount	Share-based Compensation Reserve	Warrant Reserve		
Balance at September 30, 2018	1,748,312	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (17,272,062)	\$ 873,780
Net loss for the period	-	-	-	-	(537,026)	(537,026)
Balance at March 31, 2019	1,748,312	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (17,809,088)	\$ 336,754
Balance at September 30, 2019	1,748,312	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (18,160,419)	\$ (14,577)
Net loss for the period	-	-	-	-	(90,811)	(90,811)
Balance at March 31, 2020	1,748,312	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (18,251,230)	\$ (105,388)

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

REWARDSTREAM SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the six months ended March 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	March 31, 2020	March 31, 2019
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss from continuing operations	\$ (90,811)	\$ (537,026)
Items not involving cash:		
Accrued interest payable	409	-
Changes in non-cash working capital items:		
Accounts receivable	66,751	(8,313)
Prepaid expenses and deposits	15,000	(55,125)
Accounts payable and accrued liabilities	(5,906)	(7,521)
	<u>(14,557)</u>	<u>(607,985)</u>
FINANCING ACTIVITIES		
Loan payable	30,000	-
Repayment of loan payable	-	(5,650)
	<u>30,000</u>	<u>(5,650)</u>
CHANGE IN CASH DURING THE PERIOD	15,443	(613,635)
CASH, BEGINNING OF PERIOD	1,221	864,967
CASH, END OF PERIOD	\$ 16,664	\$ 251,332

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

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

RewardStream Solutions Inc. (the “Company”) was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. On February 20, 2020, the Company’s listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol “REW.H”.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$90,811 for the period ended March 31, 2020. As at March 31, 2020, the Company had an accumulated deficit of \$18,251,230. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company’s continued existence is dependent upon its ability to raise additional capital and to identify and acquire a suitable business opportunity. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

During the period ended March 31, 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company’s operations.

These financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

This condensed interim financial information for the six months ended March 31, 2020 have been prepared in accordance with IAS 34 “Interim financial reporting”. The condensed interim financial information 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”).

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 27, 2020.

b) Basis of measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as September 30, 2019. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2019.

The following new standard and interpretation was adopted on October 1, 2019.

IFRS 16 *Leases* replaces IAS 17, *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract on the basis of whether the customer controls the assets begin leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

The adoption of IFRS 16 has not had a significant impact on the Company's financial statements.

Use of estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of management judgments include:

The going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The Company bases its estimates and judgments on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.

4. Loan payable

On January 9, 2020, the Company received a promissory note of \$30,000 from a third party which bears interest at 6% per annum, unsecured and repayable by July 9, 2020. During the period ended March 31, 2020, the Company accrued \$409 in interest payable.

REWARDSTREAM SOLUTIONS INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
 March 31, 2020
 (Expressed in Canadian Dollars)
 (Unaudited – prepared by management)

5. SHARE CAPITAL

- a) Authorized:
 unlimited common shares, without par value

On April 7, 2020, the Company completed a share consolidation on the basis of 10 old shares for 1 new share. The share consolidation has been retroactively presented in these financial statements and all share amounts, including per share amounts, reflect the share consolidations.

- b) Issued and outstanding:

There were no shares issued during the six months ended March 31, 2020 and during the year ended September 30, 2019.

- c) Stock options

The Company has a stock option plan (the “Plan”) that permits the grant of share purchase options up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms of the options granted are subject to determination and approval by the Board of Directors.

There were no stock options granted during the six months ended March 31, 2020 and during the year ended September 30, 2019.

- d) Warrants

The table below summarizes the information on the outstanding warrants of the Company for the six months ended March 31, 2020 and for the year ended September 30, 2019:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2018	1,355,362	\$ 4.24
Warrants expired	(1,355,362)	(4.24)
Balance, September 30, 2019 and March 31, 2020	-	\$ -

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NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
 March 31, 2020
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6. RELATED PARTY TRANSACTIONS

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the six months ended March 31, 2020 and 2019 are as follows:

	Six months ended March 31,	
	2020	2019
Consulting fees		
Enermetal Ventures Inc. (controlled by CEO)	\$ 30,000	\$ 40,250
Harmony Corporate Services Ltd (controlled by CFO)	19,200	-
	\$ 49,200	\$ 40,250

Prepaid expenses at March 31, 2020, includes \$28,069 (September 30, 2019 - \$43,069) in advances to a company controlled by the CEO for travel expenses and consulting fees.

Accounts payable and accrued liabilities at March 31, 2020 includes \$11,274 (September 30, 2019 - \$7,230) owing to a company controlled by the CFO for unpaid fees and expense reimbursements.

7. FINANCIAL INSTRUMENTS

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, and loan payable approximate their fair values due to their short-term nature. Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis.

Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and consider the implications of market conditions in relation to the Company's activities.

There are no changes in the Company's objective, policies and processes for managing the risks and the methods used to measure the risks during the period ended March 31, 2020.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest-bearing accounts.

7. FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days. The Company uses cash to settle its financial obligations as they fall due. As at March 31, 2020, the Company has a working capital deficiency of \$105,388. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at March 31, 2020. Interest rate risk is minimal as loans have a fixed interest rate.

(ii) Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

8. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There were no changes to the Company's approach to capital management during the period ended March 31, 2020.

9. COMPARATIVE FIGURES

Certain of the comparative figures for three and six months ended March 31, 2019 have been restated in order to conform to the current period's presentation.