BELGRAVIA
CAPITAL INTERNATIONAL

2019

Condensed Consolidated Interim Financial Statements

for the nine months ended September 30, 2019

(Unaudited – Expressed in CAD dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BELGRAVIA CAPITAL INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in CAD Dollars)

	September 30, 2019	December 31, 2018
ASSETS		
Current		
Cash	$ 1,794,327	$ 3,420,159
Investments - current (note 4)	7,532,973	4,705,201
Receivables (note 3)	145,564	85,833
Prepaid expenses	192,583	59,525
	9,665,447	8,270,718
Investments (note 4)	389,885	377,414
Property, plant and equipment (note 5)	5,007	7,031
	$ 10,060,339	$ 8,655,163
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (notes 6,9)	$ 300,977	$ 97,637
Deferred revenue	163,400	100,000
Total current liabilities	464,377	197,637
Shareholders' equity		
Share capital (note 7)	106,739,953	106,739,953
Reserves (note 7)	13,310,349	13,310,349
Currency translation adjustment reserve	18,681,269	18,681,269
Deficit	(129,135,609)	(130,274,045)
	9,595,962	8,457,526
	$ 10,060,339	$ 8,655,163

Nature of operations and going concern (note 1)
Contingency (note 14)

On behalf of the Board:

"Mehdi Azodi" ______________ **Director** *"John Stubbs"* ______________ **Director**

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

BELGRAVIA CAPITAL INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS)
AND COMPREHENSIVE INCOME (LOSS)
(Unaudited – Expressed in CAD Dollars)

	Three Month Period Ended Sept. 30, 2019	Three Month Period Ended Sept. 30, 2018	**Nine Month Period Ended Sept. 30, 2019**	Nine Month Period Ended Sept. 30, 2018
REVENUES				
Management services revenue (note 3b)	**$ 33,650**	$ 185,000	**$ 172,870**	$ 615,000
EXPENSES				
Administration (note 9)	**88,730**	104,872	**247,236**	367,052
Business and market development	**44,410**	24,563	**129,371**	121,077
Consulting fees	**75,000**	133,060	**203,128**	669,805
Depreciation (note 5)	**675**	470	**2,024**	1,081
Fundraising activities	**-**	-	**-**	5,000
Foreign exchange gain (loss)	**(11,166)**	39,577	**56,679**	(51,641)
Investor relations	**40,848**	43,040	**93,575**	123,638
Professional fees	**36,021**	157,004	**109,387**	301,751
Regulatory fees	**9,575**	18,409	**33,138**	50,959
Rent and storage	**30,180**	30,180	**90,540**	71,540
Research costs	**-**	77,353	**-**	169,353
Share-based compensation (notes 8,9)	**-**	-	**-**	2,903,527
Travel	**42,789**	11,283	**120,104**	47,952
Wages and benefits (note 9)	**240,809**	179,789	**959,204**	971,573
Operating loss	**(597,871)**	(819,600)	**(2,044,386)**	(5,752,667)
Investment gain (loss) (note 4)	**(204,090)**	(218,861)	**426,934**	191,757
Unrealized investment gain (note 4)	**1,468,582**	-	**2,580,036**	-
Interest income	**2,077**	27,033	**2,982**	55,040
Income and comprehensive income (loss) for the period	**$ 702,348**	$ (826,428)	**$ 1,138,436**	$ (4,890,870)
Basic and diluted loss per common share	**$ 0.00**	$ (0.00)	**$ 0.00**	$ (0.01)
Weighted average number of common shares outstanding, basic and diluted	**401,792,516**	411,354,656	**401,792,516**	402,872,572

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

BELGRAVIA CAPITAL INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in CAD Dollars)

	Nine Month Period Ended Sept. 30, 2019	Nine Month Period Ended Sept. 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	$ 1,138,436	$ (4,890,870)
Items not affecting cash:		
Depreciation	2,024	1,081
Share-based compensation	-	2,903,527
Realized (gain) loss on sale of investments	(426,934)	116,219
Unrealized investments gain	(2,580,036)	(307,976)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(74,211)	1,709,469
(Increase) decrease in prepaid expenses	(118,579)	161,651
Increase (decrease) in accounts payable and accrued liabilities	203,341	(40,743)
Decrease in deferred revenue	63,400	-
Decrease in employment liability	-	(412,500)
Net cash used in operating activities	(1,792,559)	(760,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments	(2,189,659)	(9,805,269)
Proceeds from sale of investments	2,356,386	5,040,190
Property, plant and equipment expenditures	-	(4,364)
Net cash used in investing activities	166,727	(4,769,443)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	6,699,500
Proceeds from stock options exercise	-	228,000
Proceeds from warrants exercise	-	2,467,505
Proceeds from broker warrants exercise	-	16,800
Share issuance costs	-	(260,442)
Net cash provided by financing activities	-	9,151,363
Change in cash for the period	(1,625,832)	3,621,778
Cash beginning of period	3,420,159	1,095,353
Cash, end of period	$ 1,794,327	$ 4,717,131

Supplemental disclosure with respect to cash flows (note 10)

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

BELGRAVIA CAPITAL INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited – Expressed in CAD Dollars)

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
Balances as at December 31, 2017	238,840,846	$ 97,978,373	$10,058,205	$ 18,681,269	$(123,240,393)	$3,477,454
Shares issued for cash	133,990,000	6,699,500	-	-	-	6,699,500
Shares issued for non-cash consideration	5,000,000	250,000	-	-	-	250,000
Stock options exercised	2,400,000	333,789	(105,789)	-	-	228,000
Warrants exercised	30,843,810	2,467,505	-	-	-	2,467,505
Broker warrants exercised	280,000	20,445	(3,645)	-	-	16,800
Share issuance costs	-	(718,492)	458,050	-	-	(260,442)
Share-based compensation	-	-	2,903,527	-	-	2,903,527
Loss and comprehensive loss	-	-	-	-	(4,890,870)	(4,890,870)
Balance as at September 30, 2018	411,354,656	107,031,120	13,310,348	18,681,269	(128,131,263)	10,891,474
Balance as at December 31, 2018	401,792,516	106,739,953	13,310,349	18,681,269	(130,274,045)	8,457,526
Income and comprehensive income	-	-	-	-	1,138,436	1,138,436
Balances as at September 30, 2019	401,792,516	$106,739,953	$13,310,349	$ 18,681,269	$(129,135,609)	$9,595,962

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Belgravia Capital International Inc. ("Belgravia" or the "Company") was incorporated under the Canada Business Corporations Act on November 8, 2002. The Company's registered office is 82 Richmond Street East, Toronto, ON M5C 1P1. The Condensed Consolidated Interim Financial Statements ("Interim Financial Statements") are comprised of the Company and its subsidiaries.

During the year ended December 31, 2017, the Company disposed of its interest in a wholly-owned subsidiary which was involved in the development of potash-related minerals. The Company is now focusing on merchant banking and providing management services in the resources, technology, and legal cannabis industries, developing healthcare products, as well as pursuing the royalty streams from its previous potash project.

The Company's continuation as a going concern is dependent on cash flow from its investments, royalties, or operations and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. While the Company currently has no source of operating revenue other than management services consulting fees, its working capital of $9,201,070 at September 30, 2019 leads management to believe the Company has sufficient capital to fund its business activities and general working capital for at least the next 12 months. The Company's financial success is dependent on its ability to identity, evaluate, negotiate, and exit investments in assets or businesses. These condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is currently exploring alternatives to obtain financing. Such alternatives may involve debt, equity or alternative financing structures and may occur at the public company or subsidiary level.

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Statement of compliance:**

These Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Interim Financial Statements were authorized by the audit committee and board of directors of the Company on October 23, 2019.

b) **Basis of presentation:**

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these Interim Financial Statements are in accordance with IFRS and have not been audited.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These Interim Financial Statements do not include all of the information required for annual financial statements.

The significant accounting policies for these Interim Financial Statements are consistent with those disclosed in the audited financial statements for the year-ended December 31, 2018. These Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year-ended December 31, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

c) Basis of consolidation:

The Consolidated Financial Statements of the Company include the following subsidiaries:

Name of subsidiary	Place of incorporation	Percentage ownership
Intercontinental Potash Corp.	Canada	100%
Trigon Exploration Utah Inc.	USA	100%

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries when the Company possesses power over an investee, has exposure to variable returns from the investee, and has the ability to use its power over the investee to affect its returns. The Company deconsolidated the operations of PolyNatura Corp. (formerly International Potash Corp. (USA)) ("ICP(USA)") in fiscal 2017. Belgravia Dermatology Inc. was dissolved in January 2019. All intercompany transactions and balances are eliminated on consolidation.

d) Cash:

Cash is comprised of cash deposited at Canadian banks and secure, short-term, highly liquid demand deposits.

e) Investments:

All investments except investments in debt instruments are classified upon initial recognition at fair value through profit or loss ("FVTPL"), with changes in fair value reported in profit or loss. Purchases and sales of investments are recognized on the settlement date. Investments at FVPTL are initially recognized at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income (loss). Investments in debt instruments are initially measured at fair value then subsequently measured at amortized cost using the effective interest rate method.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the FVTPL investments are recognized in profit or loss.

Investments in common shares of public companies are measured at fair value based on published market prices with unrealized gains and losses recognized through profit or loss. The valuation of these shares has been determined in whole by reference to the close price of the shares on the TSX, TSX Venture Exchange or Canadian Securities Exchange ("CSE") at each reporting date. Various warrants have been received as attachments to share purchase units and do not trade in an active market. At the time of purchase, the per unit cost is allocated to common shares and warrants using the residual value method. The value of the warrants is subsequently determined at the measurement date using the Black-Scholes option pricing model.

All privately held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted with unrealized gains and losses recognized through profit or loss.

f) Significant accounting estimates and judgments:

The preparation of these Interim Financial Statements requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

(Unaudited - Expressed in CAD Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) **Revenue recognition**

Management services revenue is recognized when services are rendered, and the amount can be reasonably estimated and collected. Any amount received for future services is recorded as deferred revenue and recognized as revenue when the related services are performed.

h) **New standards, amendments and interpretations:**

Effective January 1, 2019

IFRS 16 – Leases. IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The adoption of IFRS 16 did not have an impact on the Company's financial statements.

3. RECEIVABLES

Receivables are comprised of:

	September 30, 2019	**December 31, 2018**
GST receivable [(a)]	$ 37,684	$ 22,833
Management services fees receivable [(b)]	$ 107,880	$ 63,000
Total	$ 145,564	$ 85,833

a. The Company had GST receivable of $37,684 at September 30, 2019.

b. The Company provides management services to several companies in which the Company has invested. Pursuant to management services agreements, the Company was owed $107,880 at September 30, 2019.

4. INVESTMENTS

The Company's investments include common shares and warrants of Canadian companies that are listed on various Canadian stock exchanges and investments in private Canadian and U.S. companies as well as certain investment funds, such as money market funds and bond funds, held through Canadian investment dealers and debt instruments. The fair values of the common shares of the publicly-traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. The investments in unlisted warrants of companies that are publicly-traded are valued using the Black-Scholes option pricing model, with the following weighted average assumptions:

	Period ended September 30, 2019	Year ended December 31, 2018
Risk-free interest rate	1.59%	1.85%
Expected life of warrants	1.20 years	1.41 years
Annualized volatility	127.68%	170.11%
Dividend rate	0.00%	0.00%

(Unaudited - Expressed in CAD Dollars)

4. INVESTMENTS (cont'd…)

As at September 30, 2019, fair value of the investments was $7,922,858 (2018 - $6,190,350). This includes the value of equity investments of $6,696,514 (2018 - $5,353,025), debt instruments of $325,000 (2018 - $nil), and value of warrants of $901,344 (2018 - $837,324.

During the nine-month period ended September 30, 2019, the Company recorded an unrealized gain of $1,819,200 (2018 – loss $134,609) for equity investments and an unrealized gain of $760,836 (2018 – $442,585) for warrants.

During the nine-month period ended September 30, 2019, the Company sold certain of its investments for proceeds totalling $2,356,386 (2018 - $5,040,190) and recognized a gain of $426,934 (2018 – recognized a loss of $116,219).

Investments at September 30, 2019	Number of Shares		Cost		Fair Value
Public Companies:					
Avricore Health Inc.	203,429	$	14,240	$	5,086
Azincourt Energy Corp	3,050,000	$	162,875	$	91,500
Blackrock Gold Corp.	9,780,000	$	929,100	$	2,934,000
Black Tusk Resources Inc	1,333,333	$	200,000	$	106,667
C21 Investment Inc.	162,000	$	205,410	$	90,720
Captor Capital Corp.	41,300	$	165,200	$	37,170
IMEX Systems Inc.	1,428,571	$	100,000	$	21,429
Imperial Mining GRP Ltd	6,816,667	$	422,649	$	443,083
Khiron Life Sciences Corp.	2,000	$	500	$	2,400
Magna Terra Minerals Inc.	1,140,000	$	41,162	$	11,400
Maritime Resources Corp.	2,554,545	$	250,909	$	217,136
Planet 13 Holdings Inc.	156,250	$	339,375	$	365,625
Plus Products Inc.	124,999	$	358,446	$	437,497
Tartisan Nickel Corp.	6,078,000	$	771,960	$	208,435
ThreeD Capital Inc.	200,000	$	60,000	$	7,000
Vital Hub Corp.	590,000	$	73,350	$	103,250
Weekend Unlimited Inc.	4,682,847	$	500,000	$	304,385
Zonetail Inc.	3,562,500	$	814,250	$	106,874
Private Companies:					
Coinstrike Inc.	2,000,000	$	200,000	$	200,000
GPCR Pharmaceuticals	2,680,000	$	131,000	$	670,000
Reciprocity Corp	779,590	$	218,000	$	272,857
Uni-Scan Global Inc.	500,000	$	60,000	$	60,000
Investments in Bridge Loan	n/a	$	325,000	$	325,000
Investments in Warrants	n/a	$	20,237	$	901,344
Total	47,866,031	$	6,363,663	$	7,922,858

(Unaudited - Expressed in CAD Dollars)

4. INVESTMENTS (cont'd…)

		September 30, 2019		December 31, 2018
Current investments	$	7,532,973	$	4,705,201
Non-current investments		389,885		377,414
	$	7,922,858	$	5,082,615

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

Cost		Computer equipment	Total
As at December 31, 2017	$	4,669	4,669
Additions		8,195	8,195
Disposal		(2,045)	(2,045)
As at December 31, 2018		10,819	10,819
Additions		-	-
Disposals		-	-
As at September 30, 2019	$	10,819	10,819
Depreciation			
As at December 31, 2017	$	3,403	3,403
Additions		2,399	2,399
Disposal		(2,014)	(2,014)
As at December 31, 2018		3,788	3,788
Additions		2,024	2,024
Disposal		-	-
As at September 30, 2019	$	5,812	5,812
Net book value:			
As at December 31, 2018	$	7,031	7,031
As at September 30, 2019	$	5,007	5,007

(Unaudited - Expressed in CAD Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2019		December 31, 2018	
Trade payables	$	2,209	$	48,940
Accrued liabilities		292,525		40,500
Other		6,243		8,197
Total	$	300,977	$	97,637

7. SHARE CAPITAL AND RESERVES

Common shares

Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

Refer to the Consolidated Statements of Changes in Shareholders' Equity for a summary of changes in share capital and reserves for the period ended September 30, 2019. Reserves relate to stock options and warrants that have been issued by the Company (note 8).

During the nine-month period ended September 30, 2019, the Company issued nil common shares.

During the nine-month period ended September 30, 2018 the Company issued the following common shares:

- On January 10, 2018, the Company issued 133,990,000 units pursuant to a private placement at $0.05 per unit for gross proceeds of $6,699,500. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company for $0.06 per share until May 10, 2019. The expiration of all warrants will be accelerated to 30 days if the share price reaches or exceeds $0.08 for ten consecutive trading days ("Acceleration Trigger"), with such 30-day period starting seven-day after the Acceleration Trigger. The Company issued 3,649,200 finder's warrants entitling the holder to acquire one Common Share for a period of 12 months at an exercise price equal to $0.19 (note 8).
- The Company issued 2,400,000 shares at an average price of $0.095 for gross proceeds of $228,000 pursuant to the exercise of stock options (note 8).
- The Company issued 30,843,810 shares at $0.08 for gross proceeds of $2,467,505 pursuant to the exercise of warrants (note 8).

  The Company issued 280,000 shares at $0.06 for gross proceeds of $16,800 pursuant to the exercise of broker warrants (note 8).
- The Company issued 280,000 shares at $0.06 for gross proceeds of $16,800 pursuant to the exercise of broker warrants (note 9).
- On May 24, 2018, the Company issued 5,000,000 shares at a deemed price of $0.10 per share with a deemed value of $500,000 as consideration to acquire 2,000,000 common shares of R&D Pharma Corp. The shares of the Company had a market price of $0.05 on that date, so the investment was initially recorded at $250,000 and an immediate unrealized gain of $250,000 was recorded on the transaction date.

(Unaudited - Expressed in CAD Dollars)

8. STOCK OPTIONS AND WARRANTS

Stock options

The Company has an incentive stock option plan (the "Plan") whereby the Company may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided the exercise price is not lower than the market value at time of issue less any discount allowed by the stock exchange upon which the common shares are listed. The Plan provides for the issuance of up to 10% of the Company's issued common shares as at the date of grant with each stock option having a maximum term of ten years. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

As at September 30, 2019, the Company had stock options outstanding, enabling the holders to acquire the following number of common shares:

Number of Options	Exercise Price	Average Contractual Life Remaining (years)	Expiry Date
2,500,000	$ 0.08	1.68	June 6, 2021
2,500,000			

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding December 31, 2017	17,400,000	$ 0.10
Cancelled/expired	(400,000)	0.12
Exercised	(2,400,000)	0.08
Granted	24,400,000	0.10
Outstanding December 31, 2018	39,000,000	0.10
Cancelled	(36,500,000)	0.13
Outstanding September 30, 2019	2,500,000	$ 0.08
Number of options exercisable at September 30, 2019	2,500,000	$ 0.08

During the period ended September 30, 2019, the Company granted nil (2018 – 24,400,000) stock options to consultants, officers, employees and directors of the Company. All options vested at the grant date.

The fair value of the options granted during the period ended September 30, 2019, as determined by the Black-Scholes option pricing model, was $nil (2018 - $2,903,527) or $nil per option (2018 - $0.12).

Share-based compensation recognized during the period was $nil (2018 - $2,903,527).

(Unaudited - Expressed in CAD Dollars)

8. STOCK OPTIONS AND WARRANTS (cont'd...)

Warrants

As at September 30, 2019, the Company had nil warrants outstanding.

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding as at December 31, 2017	35,386,903	$	0.08
Issued on January 10, 2018	133,990,000		0.18
Exercised	(30,843,810)		0.08
Expired on March 1, 2018	(164,285)		0.08
Expired on June 28, 2018	(4,378,808)		0.08
Amended (old) exercise price in October 2018	(133,990,000)		0.18
Amended (new) exercise price in October 2018	133,990,000		0.06
Outstanding December 31, 2018	133,990,000		0.06
Expired in July 2019	(133,990,000)	$	(0.06)
Number of warrants exercisable as at September 30, 2019	-	$	-

Broker warrants

As at September 30, 2019, the Company had nil broker warrants outstanding.
Broker warrants transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding as at December 31, 2017	280,000	$	0.06
Issued January 10, 2018	3,649,200		0.19
Exercised	(280,000)		0.06
Outstanding as at December 31, 2018	3,649,200		0.19
Expired in January 2019	(3,649,200)		0.19
Outstanding as at September 30, 2019	-	$	-

(Unaudited - Expressed in CAD Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES

The accounts payable and accrued liabilities of the Company include the following amounts due to related parties:

	September 30, 2019	December 31, 2018
Key management personnel	$ 261,625	$ nil
	$ 261,625	$ nil

Key management personnel compensation (consisting of senior officers and directors of the Company):

	Nine-month ended	
	September 30, 2019	September 30, 2018
Short-term benefits *	$ 618,500	$ 666,500
Directors' fees **	153,750	240,500
Share-based compensation	-	1,952,868
Total remuneration	$ 772,250	$ 2,859,868

* Amounts are included within wages and benefits on the statement of loss and comprehensive loss.
** Amounts are included within administration on the statement of loss and comprehensive loss.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplemental disclosure with respect to cash flows	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Broker warrants issued as finders' fees	$ -	$ 458,051
Reversal of reserves upon exercise of stock options	$ -	$ 105,789
Reversal of reserves upon exercise of broker warrants	$ -	$ 3,645
Share issued for investments	$ -	$ 250,000

11. SEGMENTED INFORMATION

The Company has one operating segment focused on merchant banking as well as providing management services and pursuing the royalty streams from its previous potash project. All of the Company's capital assets are located in Canada.

(Unaudited - Expressed in CAD Dollars)

12. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to invest to earn a risk-appropriate return for shareholders. The Company does not have any externally imposed capital requirements to which it is subject. The capital of the Company consists of items in shareholders' equity. The Company had no bank indebtedness at September 30, 2019. The Board of Directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in available funds, economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, borrow money, or dispose of assets to adjust the amount of cash.

The Company's investment policy is to invest its cash necessary to fund operations for the next 12 months in demand investment instruments in high credit quality financial institutions to provide liquidity over the expected time of expenditures from continuing operations. The Company also invests some of its excess cash in common shares and other securities of private and public companies.

There were no significant changes in the Company's approach to capital management during the quarter ended September 30, 2019.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 Company's financial instruments include cash, investments, receivables, accounts payable and accrued liabilities and employment liability.

The carrying values of receivables, accounts payable and accrued liabilities and employment liability approximate fair value because of the short-term nature of these instruments.

As at September 30, 2019, the Company's classification of financial instruments measured at fair value within the fair value hierarchy are summarized below:

	Level 1	Level 2	Level 3	Total
Cash	$ 1,794,327	$ -	$ -	$ 1,794,327
Equity investments	5,493,657	-	2,104,201	7,597,858
	$ 7,287,984	$ -	$ 2,104,201	$ 9,392,185

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial instruments (cont'd...)

As at December 31, 2018, the Company's classification of financial instruments within the fair value hierarchy are summarized below:

	Level 1	Level 2	Level 3	Total
Cash	$ 3,420,159	$ -	$ -	$ 3,420,159
Investments	2,680,439	-	2,077,176	4,757,615
	$ 6,100,598	$ -	$ 2,077,176	$ 8,177,774

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash is held at reputable financial institutions, from which management believes the risk of loss to be remote. Receivables consist primarily of amounts due from government agencies, and from management services customers, which the Company believes will be fully collected.

Liquidity risk

As at September 30, 2019, the Company had a cash balance of $1,794,327 to settle current liabilities of $464,377. The Company is not subject to significant liquidity risk.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest some of excess cash in investment-grade highly liquid demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as cash deposits are payable on demand and the Company currently does not carry interest bearing debt at floating rates. Fluctuations in interest rates may impact the value of the Company's investments in publicly traded common shares.

Foreign currency risk

The Company's functional currency is the Canadian dollar; however, there are transactions and investments in U.S. dollars and the Company keeps some of its cash in U.S. currency. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. A 10% change in the foreign exchange rate would have had an approximate $110,000 impact on foreign exchange gain or loss.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial instruments (cont'd...)

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are primarily concentrated in the junior healthcare, natural resource, and technology industries, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company holds investments in private and public traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Some investments may not be very liquid and dispositions may take time or may be sold at less than market prices. A 10% change in the fair values of the Company's investments at September 30, 2019 would have an $792,000 impact on results from operations.

14. CONTINGENCY

During 2018, the Company launched a legal claim against certain parties relating to an investment and management services agreement. The parties have filed a statement of defence and counterclaim. The outcome of these actions is not determinable at this time.