

Consolidated Financial Statements  
(Expressed in Canadian dollars)

**FINEQIA INTERNATIONAL INC.**  
**(FORMERLY NANOSTRUCK TECHNOLOGIES INC.)**

For the three and nine month periods ended June 30, 2019 and 2018

(Unaudited)

## **NOTICE TO READER**

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

The accompanying condensed consolidated unaudited interim financial statements have been prepared by and are the responsibility of management.

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

# Fineqia International Inc.

## Consolidated statements of financial position

(Expressed in Canadian Dollars)

	Notes	June 30, 2019	September 30, 2018
		\$	\$
<b>Assets</b>			
Current assets			
Cash and cash equivalents		32,016	704,677
Receivables	6	1,359,152	1,001,002
Prepaid expenses and deposits		20,396	36,716
Total current assets		1,411,565	1,742,395
Investments	8	775,498	740,276
<b>Total assets</b>		<b>2,187,063</b>	<b>2,482,671</b>
<b>Liabilities and Shareholders' Deficit</b>			
Current liabilities			
Accounts payable and accrued liabilities		188,621	182,373
Due to related parties		2,262,475	1,798,864
Total current liabilities		2,451,096	1,981,237
Long term liabilities			
Accounts payable	7	436,677	403,421
<b>Total Liabilities</b>		<b>2,887,772</b>	<b>2,384,658</b>
Shareholders' deficit			
Share capital		11,156,320	11,156,320
Contributed surplus	10	3,473,296	3,473,296
Deficit		(15,330,325)	(14,531,603)
Total shareholders' equity (deficit)		(700,710)	98,013
Total liabilities and shareholders' equity		2,187,063	2,482,671

Nature of operations (Note 1), going concern (Note 2), commitments (Note 9), contingencies (Note 11) and subsequent events (Notes 8, 11 and 12)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

"Bundeep Singh Rangar"

"Stephen John McCann"

# Fineqia International Inc.

## Consolidated statements of loss and comprehensive loss

(Expressed in Canadian dollars)

		Three months ended		Nine months ended	
		June 30 2019	June 30 2018	June 30 2019	June 30 2018
		\$	\$	\$	\$
<b>Revenue</b>		<b>100,000</b>	-	<b>100,000</b>	5,163
<b>Total Revenue</b>		<b>100,000</b>	-	<b>100,000</b>	<b>5,163</b>
<b>Expenses</b>					
Salaries and wages	5	<b>181,000</b>	182,000	<b>511,500</b>	541,500
Professional fees, consulting and advisory	5	<b>69,925</b>	63,776	<b>188,671</b>	271,590
Promotion		<b>19,485</b>	33,825	<b>89,246</b>	141,730
Travel and lodging		<b>19,719</b>	30,440	<b>31,253</b>	189,100
Office and Laboratory		<b>696</b>	1,247	<b>3,120</b>	5,749
Insurance		<b>17,926</b>	10,567	<b>28,471</b>	19,093
Transfer agent and filing fees		<b>1,950</b>	1,950	<b>5,850</b>	5,900
Bank service charges		<b>472</b>	770	<b>1,684</b>	2,330
Exchange rate variance		<b>61,007</b>	66,584	<b>52,512</b>	12,839
Provision release		-	-	-	(100,000)
Fair value loss on investments	8	<b>490,422</b>	-	-	-
<b>Total Expenses</b>		<b>862,601</b>	391,159	<b>912,308</b>	1,089,831
<b>Profit / (loss) before undernoted items</b>		<b>(762,601)</b>	(391,159)	<b>(812,308)</b>	(1,084,668)
<b>Finance charges</b>					
Interest income		<b>4,488</b>	4,592	<b>13,586</b>	14,773
<b>Profit / (loss) before tax</b>		<b>(758,113)</b>	(386,566)	<b>(798,722)</b>	(1,069,896)
<b>Tax recovery</b>		-	-	-	-
<b>Net and comprehensive profit / (loss) for the year</b>		<b>(758,113)</b>	(386,566)	<b>(798,722)</b>	(1,069,896)
Basic profit / (loss) per share	3	<b>(0.0010)</b>	(0.0005)	<b>(0.0011)</b>	(0.0014)
Weighted average number of common shares outstanding		<b>760,013,064</b>	760,013,064	<b>760,013,064</b>	760,013,064

See accompanying notes to the consolidated financial statements.

# Fineqia International Inc.

## Consolidated statements of changes in equity (Expressed in Canadian dollars)

	Share capital		Equity to be issued (\$)	Contributed Surplus (\$)	Deficit (\$)	Total (\$)
	Number of shares	Amount (\$)				
<b>Balance at September 30, 2016</b>	<b>259,709,400</b>	<b>8,079,177</b>	<b>3,408,720</b>	<b>2,516,770</b>	<b>(12,723,940)</b>	<b>1,280,727</b>
Private placements	417,966,351	2,424,903	(3,206,480)	2,048,491	-	1,266,914
Units issued as finders fees	25,446,647	134,351	-	134,351	-	268,702
Costs of private placement	-	(134,351)	-	(134,351)	-	(268,702)
Share issued for debt	56,890,666	652,240	(202,240)	-	-	450,000
Expired options and warrants	-	-	-	(1,732,270)	1,732,270	-
Options granted	-	-	-	705,405	-	705,405
Net loss and comprehensive loss for the period	-	-	-	-	(2,170,931)	(2,170,931)
<b>Balance at September 30, 2017</b>	<b>760,013,064</b>	<b>11,156,320</b>	<b>-</b>	<b>3,538,396</b>	<b>(13,162,601)</b>	<b>1,532,115</b>
Net loss and comprehensive loss for the period	-	-	-	-	(1,069,896)	(1,069,896)
<b>Balance at June 30, 2018</b>	<b>760,013,064</b>	<b>11,156,320</b>	<b>-</b>	<b>3,538,396</b>	<b>(14,232,497)</b>	<b>462,219</b>
Expired options and warrants	-	-	-	(65,100)	65,100	-
Net loss and comprehensive loss for the period	-	-	-	-	(364,207)	(364,207)
<b>Balance at September 30, 2018</b>	<b>760,013,064</b>	<b>11,156,320</b>	<b>-</b>	<b>3,473,296</b>	<b>(14,531,603)</b>	<b>98,013</b>
Net loss and comprehensive loss for the period	-	-	-	-	(798,722)	(798,722)
<b>Balance at June 30, 2019</b>	<b>760,013,064</b>	<b>11,156,320</b>	<b>-</b>	<b>3,473,296</b>	<b>(15,330,325)</b>	<b>(700,709)</b>

See accompanying notes to the consolidated financial statements.

# Fineqia International Inc.

## Consolidated statements of cash flows

(Expressed in Canadian dollars)

Notes	Nine months ended June 30 2019 \$	Nine months ended June 30 2018 \$
<b>Cash flows from operating activities</b>		
Net gain / (loss)	(798,722)	(1,069,896)
Adjustments for non-cash items:		
Investments	(35,222)	-
Changes in non-cash working capital items:		
Account receivables and sales tax receivable	(40,883)	25,566
Prepaid expenses and deposits	16,320	94,655
Inventory	-	-
Accounts payables and accrued liabilities	39,503	1,369,960
Cash flows from operating activities	<b>(819,003)</b>	<b>420,285</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	-	-
Investments	-	(397,009)
Advances to related parties	146,344	(313,688)
Cash flows used in investing activities	<b>146,344</b>	<b>(710,697)</b>
<b>Cash flows from financing activities</b>		
Shares issued	-	-
Shares to be issued for debt settlement	-	-
Proceeds received for equity to be issued	-	-
Short term loan repaid	-	-
Cash flows from financing activities	-	-
Net increase (decrease) in cash	<b>(672,660)</b>	<b>(290,412)</b>
Cash, beginning of year	<b>704,677</b>	<b>1,175,540</b>
Cash, end of period	<b>32,017</b>	<b>885,129</b>

See accompanying notes to the consolidated financial statements.



# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 1. Nature of operation

Fineqia International Inc. ("Fineqia" or the "Company"), was incorporated in British Columbia under the Business Corporations Act on June 20, 2006 under the name Golden Cross Resources Inc. The Company's main focus was the business of water remediation and tailings processing, using nanotechnology solutions to clean wastewater and recover precious metals from mine tailings. On August 2, 2016, the Company changed its business to become a platform for the emerging area of alternative finance known as crowdfunding and discontinued its water remediation and tailings processing business. The Company's corporate head office and principal place of business is Suite 804, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, Canada. The Company's shares are listed on the Canadian Securities Exchange ("CSE") exchange under the symbol FNQ.

The Company's strategic focus has been to provide a platform and associated services to support security issuances and manage administration of debt securities. The platform is designed to bring an issuing company's minibonds to market, by distributing and marketing minibonds to the crowd, as well as transparently highlighting the risks and objectively outlining opportunities involved.

The platform went live on November 1, 2017. The essence of Fineqia's platform is to match those companies that are originating asset-backed loans, with financial institutions, family offices, hedge funds, and more. The Company's focus is therefore as much on investors seeking high yield as those seeking to raise capital.

### 2. Going concern

These unaudited consolidated financial statements have been prepared 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 operations for the foreseeable future. The ability of the Company to continue as a going concern is dependent upon its ability to obtain financing on reasonable terms and to attain profitable operations and further fund operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate additional financing in the future, in which case the Company may be unable to meet its obligations. In the event that Company is not able to secure additional financing and continue as a going concern, material adjustments may be required to the carrying value of assets and liabilities and the statement of financial position classifications used.

The Company had a loss of \$798,722 for the nine months ended June 30, 2019 (June 30, 2018 – loss of \$1,069,896). The Company holds a deficit as at June 30, 2019 of \$15,330,325 (September 30, 2018 - \$14,531,603) and a net working capital deficiency of \$1,039,531 as at June 30, 2019 (September 30, 2018 - \$238,842). However, included in the net working capital is \$2,262,475 as at June 30, 2019 (September 30, 2018 - \$1,798,864) due to directors and entities controlled by officers and directors of the Company. These related parties have indicated that they would not demand repayment of the balances owing if it would have a negative impact on the operations of the Company. These financial statements do not contain the adjustments that would be necessary if the Company was unable to continue as a going concern. Such adjustments would include presenting assets at their recoverable amounts, which would be likely to result in further provisions to the current carrying amounts in these consolidated financial statements and to providing for further liabilities that might arise on a break up basis of presentation.



# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 3. Significant accounting policies

#### *Statement of Compliance*

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). The accounting principles applied in the preparation of these consolidated financial statements included herein have been applied consistently for each of the periods presented.

These financial statements have been authorized for issuance by the Company’s Board of Directors on August 29, 2019.

#### *Basis of Consolidation*

Fineqia Limited, incorporated in the UK, is the operating company and 100% owned legal subsidiary of the Company. The Company incorporated Fineqia Investments Limited, a Malta incorporated entity, during the year ended September 30, 2018. In addition, the Company has a wholly owned interest in Blue Gold Tailing Technologies, incorporated in Ontario, which is inactive.

Subsidiaries are consolidated from the date on which the Company obtains control and continue to be consolidated until control ceases. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

#### *Basis of Preparation*

The financial statements of the Company have been prepared under the historical cost convention, except for certain financial instruments that have been measured at fair value. The financial statements have also been presented on an accrual basis, except for cash flow information.

#### **(a) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash held on deposit with banks, other highly liquid short-term interest bearing investments with maturities of 90 days or less than the original date of acquisition and bank overdrafts.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 3. Significant accounting policies (continued)

#### (b) *Share-based payments*

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of share-based payments is determined using a Black-Scholes option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. When options are exercised, their grant date fair value is reclassified from contributed surplus to share capital.

In situations where the Company issues units, the value of warrants is included in the contributed surplus. The grant date fair value of warrants included in units is determined using the Black-Scholes option pricing model. When options or warrants expire unexercised, their grant date fair value is reclassified from contributed surplus to deficit.

In accordance with IFRIC 19, when debt is extinguished with equity, the difference between the carrying amount of the debt extinguished and the fair value of the equity is recognized in the consolidated statement of loss, unless the settlement was determined to be a transaction with an owner, in which case the difference is recognized in equity.

#### (c) *Financial instruments*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial assets and liabilities are measured subsequently as described below.

#### **Financial assets**

The Company's financial assets include cash, receivables and investments.

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- a. Loans and receivables;
- b. Financial assets at fair value through profit or loss;
- c. Held-to-maturity investments; and
- d. Available-for-sale financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income or loss.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 3. Significant accounting policies (continued)

#### (c) *Financial instruments (continued)*

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and receivables fall into this category of financial instruments.

##### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets that are either classified as held-for-trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Assets in this category are measured at fair value with gain or losses recognized in profit or loss. The Company's investments fall into this category of financial instruments.

##### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company has no financial assets in this category.

##### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. Available-for-sale financial assets are measured at the fair value and the net change in fair value is recognized in other comprehensive income and reported within the available-for-sale reserve within equity. The Company has no financial assets in this category.

##### **Impairment of financial assets**

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of receivables is presented in profit or loss, if applicable.

##### **Financial liabilities**

The Company's financial liabilities include accounts payable and accrued liabilities and due to related parties. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 3. Significant accounting policies (continued)

#### (d) Revenue recognition

The Company earns finder's fees. This revenue is recognized at the fair value of the consideration received or receivable when the services have been provided and collectability is reasonably assured.

#### (e) Income taxes

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in net loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss, in which case the related tax is recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or recoverable for the current year based on substantively enacted tax rates at the reporting date. Deferred income tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases ("temporary differences") and loss carry forwards that are probable, and for which taxable profit will be available against which the asset can be realized. Deferred income tax assets and liabilities are measured using substantively enacted tax rates that are anticipated to be in effect when the differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the period that substantive enactment occurs. Deferred income taxes are reviewed at each reporting date and to the extent that the Company does not consider it probable that a deferred income tax asset will be recovered, a deferred tax asset is not recognized.

#### (f) Operating lease agreements

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. Related expense such as maintenance and insurance expense are charged to income as incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### (g) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares, warrants and share options are recognized as a deduction from equity, net of any tax effects. Equity to be issued is recognized when an agreement to acquire shares has been entered into, consideration has been received and there is an obligation to issue shares. Equity to be issued is transferred to common shares once the shares have formally been issued.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 3. Significant accounting policies (continued)

#### (h) *Basic and diluted loss per share*

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the loss per share. The dilutive effect of convertible securities is reflected in diluted loss per share by application of the "if converted" method.

Since the Company had losses during the nine months ended June 30, 2019 and 2018, all outstanding warrants and share options were not included in this calculation as they would be anti-dilutive.

#### (i) *Foreign exchange*

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar. Transactions denominated in other currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at each reporting date to reflect exchange rates prevailing at that date. Foreign exchange gains and losses are included in the consolidated statement of loss.

#### (j) *IFRS 34 Interim Financial Reporting - Statement of compliance*

The Company applies International Financial Reporting Standards ["IFRS"] as issued by the International Accounting Standards Board ["IASB"]. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 29, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended September 30, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending September 30, 2019 could result in restatement of these unaudited condensed interim consolidated financial statements.

#### (k) *Future accounting policies*

During 2018, the Company adopted the amendment to IAS7. The new standards and changes did not have any material impact on the Company's financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after October 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 2 – Share-based Payment ("IFRS2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### **(k) Future accounting policies (continued)**

share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 – Revenue from Contracts With Customers (“IFRS 15”) proposes to replace IAS 18 – Revenue, IAS 11 – Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration (“IFRIC 22”) was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018.

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 4. Significant management judgements and estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Valuation of receivables* – The valuation of receivables is based on management's best estimate of the fair value of the financial instrument and is based on management's analysis of the ability of the debtor to repay the amount. This analysis included consideration of the assets of the debtor and consideration of the current and future expected profitability and cash flows of the debtor. Short-term receivables are due on demand and have therefore been classified as current assets based on management's expectation that it will realize the receivables prior to September 30, 2019 (see note 6). Should IXL Holdings Limited exercise its right to convert the receivable into shares, the Company will hold an investment in IXL PremFina Limited, a private corporation. Changes in the financial condition of the counterparties may result in changes to the collectability of the receivables, resulting in an impairment. Such impairment can result in a material change to the Company's assets.

*Income, value added, withholding and other taxes* – The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

*Share-based payments and warrants* - The estimation of share-based payment costs and warrant valuations requires the selection of an appropriate valuation model and data and consideration as to the volatility of the Company's share price, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

*Impairment* – In assessing impairment, management must determine the level at which independent cash flows exist, the asset or an asset grouping. Estimates of the recoverable amount of each asset or cash generating unit is determined. Estimation uncertainty relates to assumptions about the value in use of such assets.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
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### 4. Significant management judgements and estimates (continued)

*Fair value of investments in securities not quoted in an active market or private company investments* - Where the fair values of investments recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

Refer to notes 8 and 11 for further details.

### 5. Related party transactions

The following is the detail of remuneration paid or accrued to key management personnel during the nine months ended June 30, 2019:

Name of Officer/ Director	Position	Nature of Payment	Fees Accrued/Paid (\$)
Bundeep S. Rangar	Chairman, CEO	Consulting/Board Fees	192,000
Steve McCann	CFO	Consulting/Board Fees	138,000
Martin Graham	Chairman	Board Fees	45,000
Brij Chadda	Director, Chair of Audit Committee	Board Fees	18,000
Marty Bernholtz	Director (resigned April 10, 2019)	Board Fees	11,000
IndusView UK Ltd.	A company controlled by a director and officer	Consulting Fees	22,500
			426,500

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity.

Key management personnel were not paid post-retirement benefits, termination benefits or other long-term benefits during the nine months ended June 30, 2019 and 2018.

Due to related parties as at June 30, 2019 of \$2,262,475 (September 30, 2018 - \$1,798,864) is comprised of amounts owing to certain directors, officers and companies controlled by officers of the Company or companies that directors and officers have significant influence over. These amounts are unsecured, non-interest bearing and due on demand.

Officers and companies controlled by officers also have common shareholdings in the investments as detailed in Note 8.



# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
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### 6. Receivables

Included in the receivables amount of \$1,435,610 as at June 30, 2019 (September 30, 2018 - \$1,001,002) is \$908,186 (September 30, 2018 - \$965,648) receivable from IXL Holdings Limited, a Company located in Malta with UK operating subsidiaries IXL PremFina Limited and PremFina Limited. A director and officer of the Company is the controlling shareholder of IXL Holdings Limited. See note 13.

The receivables amount is repayable on demand. Interest shall accrue on the receivables amount at a rate of 2% per annum from October 1, 2016 until the receivables are settled. Interest income for the nine months ended June 30, 2019 is \$13,586 (June 30, 2018 - \$14,773). IXL Holdings Limited has the option to repay the receivables through the issuance of IXL PremFina Limited ordinary shares, valued at market value of the shares at the time of issuance.

### 7. Long term liabilities

As at June 30, 2019, the Company has classified \$436,677 (September 30, 2018 - \$403,421) of accounts payable (the "Statute-barred Claims") as non-current liabilities on the basis that any claims in respect of the Statute-barred Claims were statute barred under the Limitations Act (Ontario). The Statute-barred Claims related to expenses billed by and third party liabilities incurred by the Company which is no longer active. The Statute-barred Claims are classified as long-term liabilities since the Company has no intention or obligation to pay these Statute-barred Claims and the creditors cannot enforce payment of the Statute-barred Claims.

### 8. Investments

As at June 30, 2019 the Company held the following minority equity interests:

On November 22, 2017, the Company acquired 250 shares in IXL PremFina Limited from IXL Holdings Limited, a related party of the Company, to settle \$342,825 of a loan owed to the Company by IXL Holdings Limited (see note 6).

On January 25, 2018, the Company acquired a minority equity stake in Nivaura Limited, a private U.K. fintech Company that is building a new way for automated issuance and administration of financial instruments under the oversight of the U.K's Financial Conduct Authority.

On January 25, 2018, the Company acquired a minority equity stake in Phunware Inc, a private entity that offers iOS and Android application development platforms. The Company subscribed for 35,458 Series F preferred shares, convertible into common shares, and also concurrently received 35,458 warrants to purchase Series F preferred shares at an exercise price of US\$4.23 until January 25, 2023. The Company also received warrants to receive PhunCoins (a token) in the event Phunware, Inc. completes a Token Generation Event. PhunCoins do not currently exist. The warrants were estimated to have a nominal fair value at the date of acquisition and at June 30, 2019.

On December 26, 2018, Phunware, Inc. completed a reverse merger with a U.S. registrant and became a U.S. listed company. The Company's holdings of preferred stock have been converted into common shares of the resulting listed entity on the basis of 0.459 resulting issuer share for every one share held in the private entity. Warrants held by the Company have also been converted into warrants exercisable into common shares and PhunCoins of the resulting issuer, on the same 0.459:1 conversion ratio.

On April 30, 2019, the Company announced the tripling of the equity value of its stake in Nivaura Limited ("Nivaura") following the completion of Nivaura's latest investment round. Nivaura's capital markets platform, which is licensed to clients on a white label basis, enables fully automated securities issuance and execution using either existing capital markets infrastructure or blockchain infrastructure. The latest financing comes as the third stage of Nivaura's funding. The Company participated in the previous stage as well a part of its strategy to strengthen its existing portfolio of blockchain, fintech and cryptocurrency technology companies worldwide that support its business model. The Company's latest investment sum in Nivaura represents less than three percent of its market capitalisation. The Company's investment in Nivaura is held via its subsidiary Fineqia Investments Ltd.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

### 8. Investments (continued)

The following is a listing of the investments held by the Company at June 30, 2019:

Investee	Exercise price	Market price	Shares held	Fair value (\$)
IXL PremFina Limited – common shares	£824		250	342,420
Nivaura Limited – common shares	£7.55		16,556	207,776
Nivaura Limited – common shares	£18.78		2,593	80,945
Phunware Inc. – preferred shares	USD \$4.23	USD \$3.11	35,458	144,357
Phunware Inc. – warrants	USD \$4.23		35,458	-
				775,498

At close on June 28, 2019, the NASDAQ share price for Phunware Inc. was recorded at US\$3.11, valuing the investment at US\$ 110,274 (December 31, 2019 US\$ 485,420). Fair value loss on investment of \$503,734 was as a result of share price movement of \$491,093 (US\$ 375,146) and exchange variance loss of \$12,641.

### 9. Share capital

The Company is authorized to issue an unlimited number of common shares without par value. As at June 30, 2019, the Company had 760,013,064 (September 30, 2018 – 760,013,064) common shares issued and outstanding.

During the years ended September 30, 2015 and 2016, the Company entered into agreements to convert debt in the aggregate amount of \$292,845 into 20,536,500 common shares of the Company. During the year ended September 30, 2016, 312,500 of these common shares were issued. The remaining 20,224,000 shares were issued during the year ended September 30, 2017. Included in these conversions are debt conversion agreements with directors, officers and companies controlled by directors and officers to convert \$83,356 of debt into 2,837,600 common shares.

On October 28, 2016, the Company completed a private placement of 359,219,950 units at \$0.01 per unit, raising a total of \$3,592,200 in gross proceeds. Each unit was comprised of one common share and one non-transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at an exercise price of \$0.05 expiring October 28, 2021. Of the \$3,592,200 in gross proceeds, \$1,984,306 was allocated to shares and \$1,607,894 was allocated to warrants. As at September 30, 2016, proceeds of \$3,206,480 had been received and classified as equity to be issued.

Included in the private placement were securities issued to officers of the Company. These include 20,850,000 units issued to Rangar Capital Limited (a company controlled by Bundeep Singh Rangar) and 12,750,000 units issued to Stephen McCann. The total shares of 33,600,000 are subject to escrow and will be issued over a three year period ending November 1, 2019. As at December 31, 2018 the remaining escrowed securities in respect of the private placement were 25,200,000. In total, there are 34,200,000 escrowed securities as at December 31, 2018.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

### 9. Share capital (continued)

In addition, a finders' fee of 22,599,066 units was paid valued at \$225,990. Each finders' fee unit was comprised of one common share and one non-transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at an exercise price of \$0.05 expiring October 28, 2021. The finders' fees and share issue costs were split between shares and warrants based on the allocation noted above. 2,429,385 finder's units were issued to officers of the Company.

On February 6, 2017, the Company completed a debt settlement in which a creditor agreed to accept common shares of the Company for past consulting services provided to the Company totaling \$200,000 by the issuance of a total of 20,000,000 common shares of the Company at a price of \$0.01 per share based on the fair value of the common shares at the time of settlement.

On March 13, 2017, the Company entered into a debt settlement in which a creditor agreed to accept common shares of the Company for past consulting services provided to the Company totaling \$250,000 by the issuance of a total of 16,666,666 common shares of the Company at a price of \$0.015 per share based on the fair value of the common shares at the time of settlement.

On March 21, 2017, the Company completed a private placement of 58,746,401 units at \$0.015 per unit, raising \$881,194 in gross proceeds. Each unit was comprised of one common share and one non-transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at an exercise price of \$0.05 expiring March 21, 2022. Of the \$881,194 in gross proceeds, \$440,597 was allocated to shares and \$440,597 was allocated to warrants.

Included in the private placement were securities issued to officers of the Company. These include 10,000,000 units issued to Rangar Capital Limited (a company controlled by Bundeep Singh Rangar), 5,200,000 units issued to Stephen McCann, and 666,666 units issued to Martin Graham.

In addition, a finders' fee of 2,847,581 units was paid valued at \$42,712. Each finders' fee unit was comprised of one common share and one non-transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at an exercise price of \$0.05 expiring March 21, 2022. The finders' fees and share issue costs were split between shares and warrants based on the allocation noted above.

### 10. Contributed surplus

	Number of options	Weighted average exercise price (\$)	Grant date fair value of options (\$)	Number of warrants	Weighted average exercise price (\$)	Grant date fair value of warrants (\$)	Total value (\$)
September 30, 2016	-	-	-	179,197,704	0.06	2,516,770	2,516,770
Granted	75,850,000	0.05	705,405	443,432,998	0.05	2,048,491	2,753,896
Expired	-	-	-	(14,478,850)	(0.14)	(1,732,270)	(1,732,270)
September 30, 2017	75,850,000	0.05	705,405	608,151,852	0.05	2,832,991	3,538,396
Expired	(7,000,000)	0.05	(65,100)	-	-	-	(65,100)
September 30, 2018	68,850,000	0.05	640,305	608,151,852	0.05	2,832,991	3,473,296
June 30, 2019	68,850,000	0.05	640,305	608,151,852	0.05	2,832,991	3,473,296

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 10. Contributed surplus (continued)

#### Options

The Company's stock option plan allows for 10% of the issued share capital at any point in time. The Board of Directors of the Company may terminate the plan at any time provided that the termination does not alter the terms or conditions of any options granted or impair the right of any shareholder. Amendments to any provisions of the plan are subject to any necessary regulatory approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this plan to service providers.

During the nine months ended June 30, 2019 and 2018, the Company did not grant any stock options.

The following are the stock options issued and outstanding as at June 30, 2019:

Expiry date	Total options issued	Total options exercisable	Exercise Price
22 March 2022	68,850,000	68,850,000	\$0.05

As at June 30, 2019, the weighted average remaining life of options was 2.75 years.

#### Warrants

Pricing models require the input of highly subjective assumptions in the expected price volatility. Changes to subjective input assumptions can materially affect the fair value estimate and therefore the existing models may not necessarily provide a reliable measure of the fair value of the Company's warrants.

The grant date fair value of the 359,219,950 warrants granted on October 28, 2016 was estimated to be \$1,607,894 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield – 0%, expected volatility – 160%, risk-free interest rate – 0.68% and an average expected life of 5 years. The 22,599,066 finder's warrants were valued using the same assumptions.

The grant date fair value of the 58,746,401 warrants granted on March 21, 2017 was estimated to be \$440,598 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield – 0%, expected volatility – 189%, risk-free interest rate – 1.16% and an average expected life of 5 years. The 2,847,581 finder's warrants were valued using the same assumptions.

The warrants, if not exercised, will expire as follows:

Expiry date	Total warrants issued	Exercise Price
11 August 2020	157,900,000	\$0.05
11 August 2020	6,838,854	\$0.05
28 October 2021	359,219,950	\$0.05
28 October 2021	22,599,066	\$0.05
21 March 2022	58,746,401	\$0.05
21 March 2022	2,847,581	\$0.05
<b>Total</b>	<b>608,151,852</b>	<b>\$0.05</b>

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# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 11. Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity price risk). The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *Credit Risk*

Credit risk is the risk that a customer or a related party receivable will be unable to pay the Company in full when an amount becomes due. The Company holds significant receivables from certain related companies (see Note 6). The Company actively monitors the financial status of these related companies to minimize the credit risk associated with these receivables. A decline in the operations of these companies could result in uncertain collectability of these receivables.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities to ensure it has sufficient funds available to meet current and foreseeable financial requirements. As at June 30, 2019, the Company had net working capital deficiency of \$1,039,531 (September 30, 2018 – \$238,842). The short-term accounts payables and accrued liabilities are due within 90 days. See also Notes 2 and 6.

#### *Foreign currency risk*

Foreign exchange risk is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company has transactions in US dollars and British pounds. The Company had the following foreign currency balances at June 30, 2019 and September 31, 2018:

	June 30, 2019		September 30, 2018	
	GBP	USD	GBP	USD
Cash	1,680	208	400,355	857
Receivables	772	-	11,566	-
Investments	379,695	110,274	330,998	150,000
Accounts payable and accrued liabilities	14,032	-	7,667	-
Due to related parties	97,042	-	120,219	-
Due from related parties	274,977	-	8,673	-

A 10% appreciation (depreciation) of the British Pound against the Canadian dollar, with all other variables held constant, would result in approximately a \$127,700 decrease (increase) in the Company's net loss for the year. A 10% appreciation (depreciation) of the US dollar against the Canadian dollar, with all other variables held constant, would result in approximately a \$67,200 decrease (increase) in the Company's net loss for the year.

# Fineqia International Inc.

## Notes to the consolidated financial statements

Nine months ended June 30, 2019 and 2018  
(Expressed in Canadian dollars)

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### 11. Financial instruments and risk management (continued)

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's exposure to interest rate risk is nominal as it does not have any interest bearing assets or liabilities.

#### *Price risk*

The Company is exposed to price risks arising from investments in non-public companies recognised at their estimated fair value. As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates. The Company holds an investment in Phunware Inc which is denominated in the United States dollar. A 10% change in the price of the shares of the investees would result in a \$11,027 increase or decrease in the Company's net loss for the year.

#### *Capital management*

The capital structure of the Company consists of equity, comprising share capital, shares to be issued, contributed surplus, net of accumulated deficit. The Company's shareholders' equity shortfall was \$700,710 as at June 30, 2019 (September 30, 2018 – equity balance \$98,013).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets. Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved.

The Company's objectives when managing capital are:

- a) To maintain and safeguard accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds for its operational needs.
- b) To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.
- c) To obtain the necessary financing, if and when it is required.

There were no changes in the Company's approach to capital management during the nine months ended June 30, 2019.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the CSE which requires adequate working capital of \$50,000 in order to maintain its stock listing in good standing. As of June 30, 2019, the Company had net working capital deficiency of \$1,039,531 (September 30, 2018 – \$238,842). However, included in the net working capital is \$2,262,475 as at June 30, 2019 (September 30, 2018 - \$1,798,864) due to directors and entities controlled by officers and directors of the Company. These related parties have indicated that they would not demand repayment of the balances owing if it would have a negative impact on the operations of the Company. As of June 30, 2019, the Company may not be compliant with the policies of the CSE. The impact of this violation is not known and is ultimately dependent on the discretion of the CSE.

Notwithstanding the risks described in Note 2 of the consolidated financial statements, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

# Fineqia International Inc.

## Notes to the consolidated financial statements

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(Expressed in Canadian dollars)

### 11. Financial instruments and risk management (continued)

#### Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount, given their short term nature. 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; and
- Level 3 – Inputs that are not based on observable market data

The Company has determined the carrying values of its financial statements as follows:

i. The carrying values of cash, receivables, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short-term nature of these instruments.

ii. Investments in private entities are carried at management's best estimates of their fair value as disclosed below.

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at June 30, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	Aggregate Fair Value \$
Non-public investments and non-trading warrant	-	-	775,498	775,498

As at September 30, 2018:

	Quoted Prices in Active Markets for Identical Assets (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	Aggregate Fair Value \$
Non-public investments and non-trading warrant	-	-	740,276	740,276

#### Level 3 hierarchy:

The following table presents the changes in fair value measurements of financial instruments classified as Level 3. These financial instruments are measured at fair value utilizing non-observable market inputs. The net change in unrealized gains (loss) is recognized in the operations.

	Opening balance \$	Purchases \$	Net unrealized gain (loss) \$	Ending balance \$
Investment at fair value				
June 30, 2019	-	821,221	(45,723)	775,498
September 30, 2018	-	740,276	-	740,276

Within Level 3, the Company includes non-public company investments. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions, the marketability of the shares and the share performance of comparable publicly-traded companies.

# Fineqia International Inc.

## Notes to the consolidated financial statements

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### 11. Financial instruments and risk management (continued)

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

#### June 30, 2019

<u>Investment Name</u>	<u>Valuation technique</u>	<u>Fair value \$</u>	<u>Unobservable inputs</u>
IXL PremFina Limited	Cost approach	342,420	Transaction price
Phunware Inc	Fair value approach	144,357	
Nivaura Limited	Cost approach	288,721	Transaction price
		<u>775,498</u>	

As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates, and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments.

### 12. Subsequent events

There are no subsequent events after June 30, 2019.