

PUSHFOR INVESTMENTS INC.

Consolidated Financial Statements

For the Years Ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Pushfor Investments Inc.

Opinion

We have audited the accompanying consolidated financial statements of Pushfor Investments Inc. (the "Company"), which comprise the consolidated statement of financial position as at September 30, 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that, the Company had a working capital deficiency of \$396,171, incurred losses for the current year of \$3,176,975, and has an accumulated deficit of \$4,121,978. The Company's ability to continue as a going concern is dependent upon its ability to achieve and maintain profitable operations and to generate funds therefrom. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The audited consolidated financial statements of Pushfor Investments Inc. for the year ended September 30, 2018 were examined by other auditors who expressed an opinion without reservation on those statements in their report dated April 3, 2019. We have audited the adjustment as described in Note 2 to amend the 2018 statements of financial position, loss and comprehensive loss, changes in shareholders' equity, and cash flows and in our opinion, such adjustments, in all material respects, are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements of the Company as at September 30, 2018 and for the year then ended other than with respect to the adjustment and, accordingly, we do not express any opinion on any other form of assurance on the financial statements as at September 30, 2018 and for the year ended September 30, 2018 taken as a whole.



Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada
May 15, 2020

Chartered Professional Accountants

PUSHFOR INVESTMENTS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	September 30, 2019	September 30, 2018 (Restated – Note 2)
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 13,754	\$ 149,708
Receivables	5	533,574	-
Investments	4	104,667	1,378,156
Prepaid expenses		62,491	-
		714,486	1,527,864
Non-Current Assets			
Equipment	7	23,708	-
Intangible assets	8	4,685,662	-
Goodwill	9	212,814	-
Investments	4	-	1,673,132
Deposits	10	95,795	-
TOTAL ASSETS		\$ 5,732,465	\$ 3,200,996
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	11	\$ 587,995	\$ 34,299
Due to related parties		-	72,609
Convertible debenture payables	12	-	511,499
Deferred revenue		59,058	-
Notes payable	13	215,001	-
Short-term loan	14	248,603	-
		1,110,657	618,407
Long-Term Liabilities			
Deferred income tax liabilities	20	-	-
TOTAL LIABILITIES		1,110,657	618,407
SHAREHOLDERS' EQUITY			
Share capital	15	7,506,587	3,926,141
Reserves		39,511	59,608
Other comprehensive loss		(184,955)	-
Deficit		(4,121,978)	(1,403,160)
Total Equity Attributable to Equity Holders of the Company		3,239,165	2,582,589
Non-controlling interest	16	1,382,643	-
TOTAL SHAREHOLDERS' EQUITY		4,621,808	2,582,589
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		\$ 5,732,465	\$ 3,200,996
Nature and continuance of operations	1		
Subsequent events	21		

On behalf of the Board:

 "Aram Ayrapetian"
 Director

 "Carlo Bonacci"
 Director

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

PUSHFOR INVESTMENTS INC.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

FOR THE YEARS ENDED SEPTEMBER 30,

(Expressed in Canadian dollars)

	Notes	2019	2018
			(Restated – Note 2)
REVENUE		\$ 35,009	\$ -
COST OF SALES		(76,796)	-
GROSS PROFIT		(41,787)	-
OPERATING EXPENSES			
Consulting		150,882	27,120
Depreciation and amortization	7, 8	406,941	-
Marketing		535,561	10,500
Office and administration		45,389	16,204
Professional fees	17	247,273	129,536
Rent		115,508	-
Travel		11,451	4,537
Transfer agent and regulatory fees		69,557	41,420
Wages and benefits	17	650,762	-
		2,233,324	229,317
OTHER ITEMS			
Accretion	12	(12,650)	(555,131)
Interest income		-	731,414
Interest and bank charges	13, 14	(11,554)	(2,453)
Foreign exchange gain (loss)		(6,416)	162,268
Gain on forgiveness of interest payment	12	45,022	10,116
Loss on sale of note receivable	6	-	(1,517,013)
Realized gain (loss) on sale of investments	4	-	(29,927)
Unrealized loss on fair value of investments	4	(961,264)	(628,822)
Unrealized loss on fair value of investments in Pushfor Ltd.	4	-	(745,910)
Gain on settlement of convertible debt	12	-	74,893
Other expenses		(4,992)	(16,102)
		(951,854)	(2,516,667)
LOSS BEFORE INCOME TAXES		(3,226,965)	(2,745,984)
INCOME TAXES			
Deferred income tax recovery	20	49,990	113,000
		49,990	113,000
NET AND COMPREHENSIVE LOSS AFTER INCOME TAXES		\$ (3,176,975)	\$ (2,632,984)
NET LOSS ATTRIBUTABLE TO:			
Equity holders of the Company		\$ (2,718,818)	\$ (2,632,984)
Non-controlling interest	16	(458,157)	-
		\$ (3,176,975)	\$ (2,632,984)
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Company		\$ (184,955)	\$ -
Non-controlling interest	16	(90,286)	-
		\$ (275,241)	\$ -

NET AND COMPREHENSIVE LOSS ATTRIBUTABLE**TO:**

Equity holders of the Company		\$	(2,903,773)	\$	(2,632,984)
Non-controlling interest	16		(548,443)		-
		\$	(3,452,216)	\$	(2,632,984)

**LOSS PER SHARE ATTRIBUTABLE TO EQUITY
HOLDERS OF THE COMPANY**

Loss per common share – basic and diluted		\$	(0.02)	\$	(0.02)
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**WEIGHTED AVERAGE NUMBER OF COMMON
SHARES OUTSTANDING – BASIC AND DILUTED**

	112,994,615	105,600,950
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The accompanying notes are an integral part of these consolidated financial statements.

PUSHFOR INVESTMENTS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars, except share number)

	Note	Issued Common Shares		Reserves			Other Comprehensive Loss	Retained Earnings/ (Deficit) (Restated – Note 2)	Total Equity Attributable to the Equity Holders of the Company	Non-Controlling Interest	Total
		Number of Shares	Amount	Equity Portion of Convertible Debentures	Other Capital Reserve						
Balance at September 30, 2017		62,868,344	\$ 2,317,064	\$ -	\$ 39,511	\$ -	\$ 1,180,217	\$ 3,536,792	\$ -	\$ 3,536,792	
Issuance of common shares	15	48,261,349	2,609,077	-	-	-	-	2,609,077	-	2,609,077	
Issuance of convertible debentures	15	-	-	364,700	-	-	-	364,700	-	364,700	
Repayment of convertible debentures	12	-	-	(344,603)	-	-	49,607	(294,996)	-	(294,996)	
Recovery and cancellation of common shares	15	(1,176,471)	(1,000,000)	-	-	-	-	(1,000,000)	-	(1,000,000)	
Net loss		-	-	-	-	-	(2,632,984)	(2,632,984)	-	(2,632,984)	
Balance at September 30, 2018		109,953,222	3,926,141	20,097	39,511	-	(1,403,160)	2,582,589	-	2,582,589	
Issuance of common shares	15	5,692,815	3,372,469	-	-	-	-	3,372,469	-	3,372,469	
Conversion of convertible debentures to common shares	12, 15	1,916,504	499,223	(20,097)	-	-	-	479,126	-	479,126	
Return of common shares to treasury	13	(571,000)	(291,246)	-	-	-	-	(291,246)	-	(291,246)	
Acquisition of subsidiary	3	-	-	-	-	-	-	-	1,931,086	1,931,086	
Cumulative translation adjustment		-	-	-	-	(184,955)	-	(184,955)	(90,286)	(275,241)	
Net loss		-	-	-	-	-	(2,718,818)	(2,718,818)	(458,157)	(3,176,975)	
Balance at September 30, 2019		116,991,541	\$ 7,506,587	\$ -	\$ 39,511	\$ (184,955)	\$ (4,121,978)	\$ 3,239,165	\$ 1,382,643	\$ 4,621,808	

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

PUSHFOR INVESTMENTS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,
(Expressed in Canadian dollars)

	2019	2018
		(Restated – Note 2)
OPERATING ACTIVITIES		
Net loss	\$ (3,176,975)	\$ (2,632,984)
Adjustments for non-cash items:		
Accretion expense	12,650	555,131
Accrued interest expense	7,297	-
Deferred tax recovery	(49,990)	(113,000)
Depreciation and amortization	406,941	-
Foreign exchange gain	25,268	(255,199)
Foreign exchange on settlement of loan	(15,468)	-
Gain on forgiveness of interest payment	(45,022)	-
Gain on settlement of convertible debts	-	(74,893)
Interest income	-	(737,841)
Interest paid	-	(164,929)
Loss on sale of note receivable	-	1,517,013
Realized gain (loss) on sale of investments	-	29,928
Unrealized loss on fair value of investments	961,264	1,179,203
Changes in non-cash working capital items:		
Accounts receivable	3,692	-
Other receivables	-	7,717
Prepaid expenses	(32,456)	525
Accounts payable and accrued liabilities	156,035	(33,474)
Due to related parties	(72,609)	(49,314)
Deferred revenue	(41,291)	-
Net cash flow used in operating activities	(1,860,664)	(772,117)
INVESTING ACTIVITIES		
Proceeds from sale of note receivable	-	3,500,000
Proceeds from sale of investments	-	1,553,980
Acquisition of investments	-	(583,311)
Acquisition of subsidiary	(2,109,200)	-
Assumption of bank indebtedness from subsidiary	(9,569)	-
Issuance of note receivable	-	(5,030,400)
Net cash flow used in investing activities	(2,118,769)	(559,731)
FINANCING ACTIVITIES		
Proceeds from issuance of convertible debenture		2,340,000
Proceeds from issuance of notes payable	382,018	-
Proceeds from issuance of common shares	2,295,375	2,609,077
Proceeds from issuance of loan	1,092,562	-
Proceeds from issuance of short-term loan	247,797	-
Repayment of convertible debentures	-	(3,766,832)
Repayment of note payable	(174,273)	(170,000)
Net cash flow provided by financing activities	3,843,479	1,012,245
Change in cash during the year	(135,954)	(319,603)
Cash, beginning of year	149,708	469,311
Cash, end of year	\$ 13,754	\$ 149,708

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Pushfor Investments Inc. (the “Company”) was incorporated on November 29, 2007 under the British Corporations Act of the Province of British Columbia and its principal business activity is investing in both public and private companies in the technology, opportunistic natural resource and various other sectors. During the year ended September 30, 2019, the Company acquired more than 50% ownership of Pushfor Limited (“Pushfor-UK”) (see Note 3), a private company incorporated under the Companies Act 2006 of United Kingdom and its wholly owned subsidiary in USA, Pushfor Inc. (“Pushfor-USA”). Pushfor-UK is a software development company whose product enables the protection and secure sharing of any content to any device.

The Company is listed on the Canadian Securities Exchange (the “CSE”) and trades under the symbol “PUSH”. The head office, principal address and records office of the Company are located at 4770 – 72nd Street, Delta, BC, V4K 3N3.

As at September 30, 2019, the Company had a working capital deficiency of \$396,171 (2018 – working capital of \$909,457), incurred losses for the current year of \$3,176,975 (2018 - \$2,632,984), and has an accumulated deficit of \$4,121,978 (2018 - \$1,403,160). The Company’s ability to continue as a going concern is dependent upon its ability to achieve and maintain profitable operations and to generate funds therefrom. There can be no assurance that the Company will be able to generate sufficient revenue from its sales or raise adequate financing to fund operations. These circumstances comprise a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the Company be unable to continue in existence. These adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements of the Company comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved and authorized for use by the Board of Directors on May 14, 2020.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Preparation

The financial statements have been prepared on a historical cost basis except for financial instruments classified as and measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is also the Company's and its Canadian subsidiary's functional currency, unless otherwise indicated. The functional currencies of the Company's newly acquired foreign subsidiaries, Pushfor-UK and Pushfor-USA, are UK Pound Sterling and US Dollar, respectively. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Restatement of Prior Period

The Company has determined that certain investments should have been written off (Note 4) as the existence of these investments cannot be ascertained. The effect of the restatement is to decrease marketable securities by \$222,000, increase unrealized loss on investments by \$142,000 and decrease opening retained earnings by \$80,000. The net impact on the consolidated statement of cash flows was \$nil.

Basis of Consolidation

These consolidated financial statements incorporate the accounts of the Company and its controlled subsidiaries.

Subsidiaries are consolidated from the date the Company obtains control up to the date of the deposition of control. Control is achieved when the Company has power over the subsidiary, is exposed or has rights to variable returns from its involvement with the subsidiary; and has the ability to use its power to affect its returns.

For non-wholly-owned subsidiaries over which the Company has control, the net assets attributable to outside equity shareholders are presented as "non-controlling interest" in the equity section of the consolidated statements of financial position. Net income/loss and other comprehensive income/loss for the period that are attributable to the non-controlling interest are calculated based on the ownership of the non-controlling interest shareholders in the subsidiary.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated upon consolidation.

Entity	Incorporation	Ownership Percentage
114611 B.C. Ltd.	Canada	100%
Pushfor Limited ("Pushfor-UK")	United Kingdom	67.02%
Pushfor Inc. ("Pushfor-USA")	USA	67.02%

Significant Estimates and Assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant Estimates and Assumptions (Cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if it affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the following:

- **Deferred tax assets**
Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company may generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimate of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.
- **Economic recoverability and probability of future economic benefits of intangible assets and amortization**
Management has determined that capitalized intangible asset costs may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including anticipated cash flows and estimated economic life.

The amortization expense related to intangible assets is determined using estimates relating to the useful life of the intangible asset.

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- **Business combinations**
The determination of whether a set of assets acquired, and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The transaction with Pushfor-UK was determined to constitute a business acquisition (Note 3).
- **Determination of functional currency**
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions within the reporting entity.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date, i.e. when control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company measures goodwill as the fair value for the consideration transferred including the recognized amount of any non-controlling interest in the acquiree less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. If this consideration is lower than the fair value of the net assets of the business acquired, the difference is recognized immediately in income as a gain from a bargain purchase. The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. Any contingent consideration and related indemnification rights are recognized at fair value at the acquisition date. Subsequent changes in fair value of contingent consideration and related indemnification rights classified as a financial liability and financial asset are recognized in income. Restructuring, transaction costs and other direct costs of a business combination are not considered part of the business acquisition transaction. Instead, such costs are expensed as incurred, unless they constitute the costs associated with issuing debt or equity securities.

Non-Controlling Interest

Non-controlling interest consist of subsidiaries that are not wholly owned by the Company, and the portions not controlled by the Company are presented as non-controlling interest in the Company's consolidated financial statements. The Company attributes the profit or loss and components of other comprehensive income; if any, to the Company and to the non-controlling interest. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interest and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to shareholders of the Company.

Foreign Currency Translation

The functional currency of each subsidiary of the Company is the currency of the primary economic environment in which the entity operates. The functional currency of the Parent company and its Canadian subsidiary is the Canadian dollar ("CAD"). The functional currency of its United Kingdom ("UK") subsidiary is the UK Pound Sterling ("GBP"), and the functional currency of its US subsidiary is the US dollar.

Transactions in currencies other than the functional currency of an entity are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign Currency Translation (Cont'd)

Where applicable, the functional currency of an entity is translated into the presentation currency using the period-end rates for assets and liabilities while the operations and cash flows are translated using average rates of exchange. Exchange adjustments arising when net assets and profit or loss are translated into the presentation currency are taken into a separate component of equity and reported in other comprehensive income or loss.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Equipment is amortized over useful life of three years.

Intangible Assets

Intangible assets consist of software development costs and are stated at historical cost less accumulated depreciation and accumulated impairment losses. Development costs are being amortized evenly over the estimated useful life of five years while goodwill is not subject to amortization.

Impairment of Non-Financial Assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of non-financial assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the earnings (loss) attributable to common shareholders equals the reported earnings (loss) attributable to the owners of the Company. Diluted earnings (loss) per share is calculated by the treasury stock method. Diluted earnings (loss) per share is determined by adjusting the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options and warrants outstanding that may add to the total number of common shares.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

The value of common shares and warrants issued as private placement units is measured using the residual value method, which first allocates value to the more easily measurable component based on fair value (common shares in the private placements) and then the residual value, if any, to the less easily measurable component (warrants in the private placements). Warrants that are issued as agency compensation or other transaction costs are accounted for as share issue costs.

Share-Based Payments

The Company may grant stock options to directors, officers, employees and/or consultants. The fair value of stock options is measured on the grant date, using the Black-Scholes option pricing model and is recognized over the vesting period of the related options. Consideration paid for the shares on the exercise of stock options is credited to share capital. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued. If it is determined that 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 the share-based payment reserve.

Convertible Debentures

Convertible debentures are financial instruments which are accounted for separately dependent on the nature of their components: a financial liability and an equity instrument. The identification of such components embedded within a convertible debenture requires significant judgment given that it is based on the interpretation of the substance of the contractual arrangement. Where the conversion option has a fixed conversion rate, the financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance.

Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and has the ability to use or sell the asset. The expenditures capitalized include the costs of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs on qualifying assets. Other development expenditures are recognized in profit or loss as incurred.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Government Assistance

Government assistance (“grants”) are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as a deduction against the related expense over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it reduces the carrying amount of the asset. Government grants received in advance that relate to expenses to be incurred in future periods are deferred on the statements of financial position as deferred government assistance and deducted against the related expenditures as incurred.

For the years presented, government grants received by the Company have been deducted as applicable against its intangible assets which comprise of software development costs.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations.

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as finance costs in profit or loss.

Revenue

Revenue from services provided is recognized at the point in time when services are rendered. The Company satisfies its performance obligation upon delivery of services. Any amount received for future services is recorded as deferred revenue and recognized as revenue when the related services are performed.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from and paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in order comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income Taxes (Cont'd)

Deferred Tax

Deferred tax is recorded by providing for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is possible that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

New Accounting Policies

Financial Instruments

Adoption of New IFRS Prouncements – Financial Instruments

On October 1, 2018, the Company adopted IFRS 9 – Financial Instruments (“IFRS 9”) which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial assets and a single, forward-looking ‘expected loss’ impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard retrospectively and prior periods were not restated. IFRS 9 did not impact the Company’s classification and measurement of financial assets and liabilities.

The Company completed an assessment of its financial instruments as at October 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	Original Classification under IAS 39	New Classification under IFRS 9
Cash	FVTPL	FVTPL
Accounts receivable and other receivables	Loans and receivables	Amortized cost
Investments	FVTPL	FVTPL
Accounts payables and accrued liabilities and due to related parties	Other financial liabilities	Amortized cost
Notes payable	Other financial liabilities	Amortized cost
Convertible debenture payable	Other financial liabilities	Amortized cost

The following is the Company’s new accounting policy for financial instruments under IFRS 9:

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

New Accounting Policies (Cont'd) **Financial Instruments (Cont'd)**

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL, are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

New Accounting Policies (Cont'd)

Revenue from Contracts with Customers

The Company adopted all of the requirements of IFRS 15 *Revenue from Contracts with Customers* (“IFRS 15”) as of October 1, 2018. IFRS 15 utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The change did not impact accumulated deficit or any assets and liabilities on the transition date.

Accounting Standards Issued but not yet in Effect

IFRS 16 – Leases

IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. The adoption of this standard on October 1, 2019 may impact the Company’s consolidated financial statements as Pushfor-UK has an office lease. The Company expects the standard will increase assets and related liabilities and increase disclosure.

3. ACQUISITION OF SUBSIDIARY

On May 13, 2019, the Company’s investment in Pushfor-UK reached 67.02%; thereby giving the Company control over Pushfor-UK.

The acquisition of Pushfor-UK constitutes a business acquisition as Pushfor-UK met the definition of a business, as defined in IFRS 3 Business Combinations.

The allocation of estimated consideration transferred is summarized as follows:

Purchase Price		
Investment, September 30, 2018	\$	1,673,132
Cash payment*		2,109,200
Total purchase price	\$	3,782,332
Allocation of Purchase Price		
Bank indebtedness	\$	(9,569)
Receivables		416,114
Prepaid expenses		30,036
Intangible assets		5,449,133
Equipment, net		48,341
Deposit		111,263
Accounts payable and accrued liabilities		(418,662)
Deferred revenue		(91,504)
Deferred income tax liabilities		(49,990)
Non-controlling interest		(1,931,086)
Goodwill		228,256
	\$	3,782,332

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3. ACQUISITION OF SUBSIDIARY (Cont'd)

The acquired business contributed revenues of \$35,009 and net loss of \$1,389,198 to the consolidated entity from the period from May 12, 2019 to September 30, 2019.

If the acquisition had occurred on October 1, 2018, consolidated pro-forma revenue and loss for the year ended September 30, 2019 would have been \$387,024 and \$4,233,086 respectively.

Goodwill arising from the acquisition represents expected future income, growth, assembled workforce and other intangibles that do not qualify for separate recognition. None of the goodwill arising from this acquisition is expected to be deductible for tax purposes.

*Of the total amount, \$1,092,562 was funded by an unrelated party (see Note 13).

4. INVESTMENTS

As at September 30, 2019, the Company's investments mainly comprised of common shares and share purchase warrants of public and private companies which are measured at fair value. The fair values of the shares and warrants are as follows:

	September 30, 2019	September 30, 2018 (Restated – Note 2)
Common Shares – Public Companies	\$ 104,652	\$ 1,158,189
Common Shares – Private Company	-	1,673,132
Warrants – Public Companies	-	219,967
	\$ 104,652	\$ 3,051,288

The cost and fair values of the investments at September 30, 2019 and 2018 are as follows:

	September 30, 2019	September 30, 2018 (Restated – Note 2)
<u>Shares – Public Companies</u>		
Cost	197,059	505,805
Fair Value	104,652	1,158,189
<u>Warrants – Public Companies</u>		
Cost	-	-
Fair Value	-	219,967
<u>Total</u>		
Cost	197,059	505,805
Fair Value	104,652	1,378,156

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4. INVESTMENTS (Cont'd)

The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following weighted-average assumptions:

	September 30, 2019	September 30, 2018
Expected life of warrants (years)	-	1.20 – 3.08
Annualized volatility	-	96% - 159%
Risk-free interest rate	-	2.19% - 2.24%
Dividend rate	-	0%

During the year ended September 30, 2018, the Company acquired 107,800 shares of Pushfor-UK with cash consideration of \$671,142 and issuance of convertible debenture with a fair value of \$1,747,900 (Note 12).

As at September 30, 2018, the Company recorded an impairment of \$745,910 to its investment in Pushfor-UK based on the price that Pushfor-UK was issuing its shares for cash at or around September 30, 2018.

During the year ended September 30, 2019, the Company further acquired additional shares in Pushfor-UK such that it acquired more than 50% ownership of Pushfor-UK and commenced to consolidate the accounts of Pushfor-UK. See Note 3.

5. RECEIVABLES

	September 30, 2019	September 30, 2018
VAT receivable	\$ 23,430	\$ -
Research and development tax credit refund	506,234	-
Other receivables	3,910	-
	\$ 533,574	\$ -

Research and development tax credit is a form of government assistance available to entities that expend qualifying research and development expenditures in the UK. This amount was fully recovered subsequent to September 30, 2019.

6. NOTE RECEIVABLE

On October 24, 2017, the Company entered into a Financing Agreement with Dragon Wave-X Canada, Inc. (“DWX”) and Transform-X Inc. (“T-X”) whereby the Company made a secured loan of US\$4,000,000 to DWX. The principal balance plus interest of US\$400,000 was repayable on the 90th day following the date when the payment was advanced (January 22, 2018). The Company extended the loan’s repayment date to April 24, 2018 with principal US\$4,400,000 and an interest 8% per annum. As a part of the Financing Agreement, the Company received 52,635 common shares of DWX and 400,000 common shares of T-X. The Company holds a first ranking security interest in all of the inventory, equipment (including machinery), accounts receivable and intellectual property of DWX as collateral for the loan.

In April 2018, the Company was in negotiation with a company formerly with a common director to sell this note receivable, and all parties agreed to extend the repayment date to December 31, 2018.

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6. NOTE RECEIVABLE (Cont'd)

In July 2018, the Company sold this note receivable, 52,635 common shares of DWX and 400,000 common shares of T-X to the company formerly with a common director for a consideration of \$4,500,000 consisting of cash \$3,500,000 and return of 1,176,471 common shares of the Company valued at \$1,000,000. The shares were returned to the Company's treasury and cancelled.

As a result of this sale, the Company recorded a loss of \$1,517,013 for the year ended September 30, 2018.

7. EQUIPMENT

		Equipment
Cost:		
At September 30, 2018 and 2017	\$	-
Additions		48,341
Foreign exchange		(2,968)
At September 30, 2019	\$	45,373
Depreciation:		
At September 30, 2018 and 2017	\$	-
Charge for the year		(21,665)
At September 30, 2019	\$	(21,665)
Net Book Value:		
At September 30, 2018	\$	-
At September 30, 2019	\$	23,708

8. INTANGIBLE ASSETS

		Development Costs
Cost:		
At September 30, 2018 and 2017	\$	-
Additions		5,449,133
Government assistance		(149,296)
Foreign exchange		(228,899)
At September 30, 2019	\$	5,070,938
Amortization:		
At September 30, 2018 and 2017	\$	-
Charge for the year		(385,276)
At September 30, 2019	\$	(385,276)
Net Book Value:		
At September 30, 2018	\$	-
At September 30, 2019	\$	4,685,662

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9. GOODWILL

Goodwill resulted from the acquisition of Pushfor-UK, see Note 3.

	September 30, 2019	
Balance, beginning of year	\$	-
Addition		228,256
Foreign exchange		(15,442)
Balance, end of year	\$	212,814

10. DEPOSIT

	September 30, 2019		September 30, 2018	
Office rental deposit	\$	95,795	\$	-

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	September 30, 2019		September 30, 2018	
Accounts payable	\$	500,309	\$	12,649
Accrued liabilities		87,686		21,650
	\$	587,995	\$	34,299

12. CONVERTIBLE DEBENBURE PAYABLE

On November 7, 2017, the Company issued two convertible debentures for \$1,560,000 to a family member of the CEO and \$780,000 to a company formerly with a common director. These convertible debentures were convertible into common shares of the Company at a conversion price of \$0.50 per share at the option of the holders. These convertible debentures were unsecured, had a maturity of one year from the date of issuance, and carried an interest rate of 10% per annum. The initial fair value of the liability portion of the debenture was determined using a market interest rate of 25%. The liability was subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the debentures. The remainder of the proceeds, \$280,800, was allocated to the conversion portion and recognized in equity.

As at September 30, 2018, the Company repaid the debentures in full including interest of \$129,460. Out of the total repayments of \$2,469,460, \$2,340,238 was allocated to the liability portion of the debentures and the Company recorded a loss on settlement of \$4. The remainder of \$129,218 was allocated to the equity with the amount in excess of the initial recognition of the equity portion, \$151,582 credited to deficit.

On March 31, 2018, the Company entered into an agreement with an unrelated party to issue a convertible debenture with principal of \$2,000,000; in return, the Company received 63,639 shares of Pushfor-UK of fair value of \$1,747,900. This convertible debenture is convertible into common shares of the Company at a conversion price of \$0.25 per share at the option of the holder. This convertible debenture is unsecured, will mature one year from issuance, and carries an interest rate of 4% per annum. The initial fair value of the liability portion of the debenture was determined using a market interest rate of 25%. The liability was subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the debenture. The remainder of the recognized fair value, \$83,900, is allocated to the conversion portion and recognized in equity.

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12. CONVERTIBLE DEBENTURE PAYABLE (Cont'd)

As at September 30, 2018, the Company made partial repayment of the debenture. Out of the total repayments of \$1,520,934, \$1,426,594 was allocated to the liability portion of the debenture and the Company recorded a gain on settlement of \$74,897. The remainder of \$63,803 was allocated to the equity with the amount in excess of the initial recognition of the equity portion, \$101,975 charged to deficit.

In November 2018, the holder converted the remaining balance of the debenture into common shares of the Company at a conversion rate of \$0.25 per common shares. The Company recorded a gain of \$45,022 as the holder waived the accrued interest on the debenture after conversion.

A continuity of convertible debentures is as follows:

	September 30, 2019	September 30, 2018
Balance at beginning of year	\$ 511,499	\$ -
Proceeds on issuance of convertible debentures	-	4,087,900
Amounts allocated to equity	-	(364,700)
Accretion interest	12,650	505,524
Repayments	-	(3,717,225)
Conversion to common shares	(479,127)	-
Forgiveness of interest payment	(45,022)	-
Balance at the end of year	\$ -	\$ 511,499

As at September 30, 2019, the Company had \$nil (September 30, 2018 - \$511,499) in convertible debenture payable.

13. NOTES PAYABLE

On January 7, 2019, the Company entered into 2 loan agreements with an unrelated individual and an unrelated company for \$170,000 with a repayment date on or before January 7, 2020. The loans bear interest at 5% per annum, and are unsecured. The Company used these loans to acquire additional shares of Pushfor-UK. Repayment of these loans can be made in cash or by transfer of the same number of shares of Pushfor-UK that are acquired by the Company. During the year ended September 30, 2019, the Company paid a total of \$174,273 as repayments for the principal amounts and accrued interest of \$4,273.

On January 21, 2019, the Company entered into a loan agreement with a company formerly with a common director for \$71,000 with interest at 5% per annum. The loan is unsecured and payable upon demand. During the year ended September 30, 2019, the Company accrued \$2,451 in interest.

On September 7, 2019, The Company entered into a loan agreement with an unrelated party for \$141,018 (GBP 87,000) at an interest rate of 6% per annum and is due in one year. Repayment of this loan can be either by cash or by shares of Pushfor-UK. As at September 30, 2019, the Company accrued \$532 (GBP 329) in interest. Subsequent to the year ended September 30, 2019, the Company paid a total of \$143,447 (GBP 87,548) as repayments for the principal amounts and accrued interest of \$899.

As outlined in Note 3, the Company borrowed \$1,092,562 (GBP 629,835) to fund its purchase of shares in Pushfor-UK. Repayment of this loan was applied against share subscriptions towards the July 9, 2019 private placement.

14. SHORT-TERM LOAN

On May 28, 2019, Pushfor-UK entered into a loan agreement with an unrelated party for \$247,797 (GBP 150,000) that is repayable on May 27, 2020. The loan bears interest at 5% per annum and is secured by a fixed charge over Pushfor-UK's assets. If the Company defaults on payment, interest rate will be deemed to be 8% per annum above London Inter-Bank Offer Rate. In addition, the lender also has the right to convert some or all of the outstanding loan amount to shares of Pushfor-UK at a conversion price of GBP 1.48 per share any time when the loan remains outstanding. As at September 30, 2019, the Company accrued \$4,314 (GBP 2,611) in interest.

15. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Share Issuances

For the year ended September 30, 2019

On October 23, 2018, the Company closed a non-brokered private placement for gross proceeds of \$300,000 and by the issuance of 300,000 units at a price of \$1.00 per unit. Each unit consists of one common share and one-half common share purchase warrant of the Company. Each warrant entitles the holder to purchase one-half common share at \$3.50 per share for a period of two years.

On November 2, 2018, the Company issued 1,916,504 common shares to the holder of the Company's convertible debenture as the holder opted to convert debenture to shares. Also see Note 12.

On December 14, 2018, the Company closed a non-brokered private placement of 852,792 common shares at a price of \$1.08 per share for gross proceeds of \$921,015.

On January 18, 2019, the Company closed a non-brokered private placement of 143,884 common shares at a price of \$1.39 per share for gross proceeds of \$200,000.

On July 9, 2019, the Company closed a non-brokered private placement of 2,154,188 common shares at a price of \$0.50 per share for gross proceeds of \$1,077,094.

On August 28, 2019, the Company closed a non-brokered private placement of 2,241,951 common shares at a price of \$0.39 per share for gross proceeds of \$874,360.

For the year ended September 30, 2018

On November 8, 2017, the Company issued 48,000,000 common shares for proceeds of \$2,400,000.

On June 5, 2018, the Company issued 261,349 common shares for gross proceeds of \$209,079.

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15. SHARE CAPITAL (Cont'd)

Share Cancellation

During the year ended September 30, 2019, the Company received 571,000 common shares of the Company from a company formerly with a common director as consideration of the sale of the Company's investments in public company shares and warrants. The fair value of these investments totalled \$291,246 at disposal. These shares were returned to the Company's treasury and cancelled.

In July 2018, the Company received 1,176,471 common shares of the Company from a company formerly with a common director as part of consideration for the sale of a note receivable (see Note 6). These shares were returned to the Company's treasury and cancelled.

Warrants

Details regarding warrants issued and outstanding are summarized as follows:

		Weighted Average Exercise Price	Number of Warrants
Balance, September 30, 2018 and 2017	\$	-	-
Issuance of warrants on October 23, 2018		3.50	150,000
Balance, September 30, 2019	\$	3.50	150,000

As at September 30, 2019, the following warrants were outstanding:

Grant Date	Expiry Date	Number of Warrants Issued	Weighted Average Exercise Price
October 23, 2018	October 23, 2020	150,000	\$ 3.50

16. NON-CONTROLLING INTEREST

		Pushfor-UK
Balance as at September 30, 2018 and 2017	\$	-
Non-controlling interest on acquisition of subsidiary		1,931,086
Share of net loss		(458,157)
Share of other comprehensive loss		(90,286)
Balance as at September 30, 2019	\$	1,382,643

As at September 30, 2019, non-controlling interest in Pushfor-UK was 32.98%.

The table below discloses selected financial information of Pushfor-UK and its subsidiary, Pushfor-USA on a 100% basis:

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16. NON-CONTROLLING INTEREST (Cont'd)

	September 30, 2019	
Non-controlling percentage		32.98%
Total assets	\$	5,571,290
Total liabilities	\$	760,321
Net liabilities	\$	4,810,969
Summarized income statement		
Loss for the year	\$	(1,389,198)
Loss allocated to non-controlling interest	\$	(458,157)
Other comprehensive loss for the year	\$	(271,241)
Other comprehensive loss allocated to non-controlling interest	\$	(90,286)

17. RELATED PARTY TRANSACTIONS

Transactions with Key Management and Directors

The Company had the following transactions with management and directors for the years ended September 30, 2019 and 2018.

	September 30, 2019		September 30, 2018	
Pushfor-UK:				
Professional fees	\$	102,842	\$	-
Salaries		103,169	\$	-
Social security		42,110		-
Pensions		1,003		-
	\$	249,124	\$	-

Due to Related Parties

As at September 30, 2019, the Company had a balance of \$7,140 (GBP 4,383) owing to a company controlled by an officer and a director.

18. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. 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:

Market Risk

Market risk is the risk that the fair value of, or future cash flows from the Company's investment in marketable securities will significantly fluctuate because of changes in market places. The Company is exposed to market risk or equity risk or equity price risk in trading its investment and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company marks its investments to market in accordance with accounting policies at each reporting period. This process could result in significant write-downs of the Company's investment over one or more reporting periods, particularly during periods of declining markets.

18. FINANCIAL RISK AND CAPITAL MANAGEMENT (Cont'd)

Market Risk (Cont'd)

Market risk includes price risk, interest rate risk and currency risk as well as factors specific to an individual investment or its issuer or risk specific to a certain market. Market risk is managed principally through diversification of investments. Management monitors the overall market risk position on a quarterly basis.

Price Risk

The Company is exposed to price risk in relation to listed marketable securities held as FVTPL investment.

Interest Rate Risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal as the Company does not have variable interest bearing asset or debt.

Currency Risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk on cash and investments denominated in United States dollars and UK pound sterling. As at September 30, 2019, a hypothetical change of 10% in foreign exchange rates would have an effect of \$54 and \$30,354, respectively.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its accounts receivables. The majority of the receivables balance is due from the UK tax authorities. The Company's secondary risk is its cash. The Company evaluates the creditworthiness of the counterparty and the value of any collateral. Cash is deposited in bank accounts held with a major bank in Canada and the UK.

Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, taking into account its anticipated cash flows from operations and its holding of cash.

Capital Management

The Company considers items in its shareholders' equity as capital. The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and safeguard the Company's ability to sustain future development of the business. There is no restriction on the Company's capital and was no change in the Company's approach to capital management during the year.

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18. FINANCIAL RISK AND CAPITAL MANAGEMENT (Cont'd)

Classification of Financial Instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2019	September 30, 2018
Financial assets at amortized cost		
Receivables	\$ 27,340	\$ -
R&D tax credit refund	506,234	-
FVTPL		
Cash	13,754	149,708
Investments	104,667	1,378,156
	\$ 651,975	\$ 1,527,864

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2019	September 30, 2018
Financial liabilities		
Accounts payable and accrued liabilities	\$ 587,995	\$ 34,299
Convertible debenture payable	-	511,499
Notes payable	215,001	-
Short-term loan	248,603	-
Due to related parties	-	72,609
	\$ 1,051,599	618,407

Fair Value

The fair value of the Company's financial assets and liabilities approximate the carrying amount whether due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial instruments measured at fair value are classified into 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 quote 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.

Investments consist of common shares of Canadian public companies (Note 4). Investments in common shares are measured using level 1 fair value measurements.

The Company does not have any financial instruments subject to level 2 fair value measurements.

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19. SEGMENTED INFORMATION

The Company has two reportable segments: investment and software development.

Investment

The Company invests in both public and private companies in the technology, opportunistic natural resource and various other sectors. This segment is operated by the Company's parent company in Canada.

Software Development

The Company launched its patented content-sharing platform that allows clients to communicate and share information securely and confidentially and is designed specifically for business use. This segment is operated by the Company's subsidiary, Pushfor-UK.

The table below provides information regarding the Company's identified segments for the years ended September 30, 2019 and 2018:

Year ended September 30, 2019	Investment		Software Development		Total
Revenue	\$	-	\$	35,009	\$ 35,009
Net Loss	\$	(1,837,767)	\$	(1,339,208)	\$ (3,176,975)
Capital assets	\$	-	\$	23,708	\$ 23,708
Intangible assets	\$	-	\$	4,685,662	\$ 4,685,662
Goodwill	\$	-	\$	212,814	\$ 212,814
Deposits	\$	-	\$	95,795	\$ 95,795

Year ended September 30, 2018	Investment		Software Development		Total
Revenue	\$	-	\$	-	\$ -
Net loss	\$	(2,632,984)	\$	-	\$ (2,632,984)
Capital assets	\$	-	\$	-	\$ -

The table below provides geographic information of the Company for the years ended September 30, 2019 and 2018:

Year ended September 30, 2019	Canada		UK		USA		Total
Revenue	\$	-	\$	35,009	\$	-	\$ 35,009
Net loss	\$	(1,837,767)	\$	(1,339,208)	\$	-	\$ (3,176,975)
Capital assets	\$	-	\$	23,708	\$	-	\$ 23,708
Intangible assets	\$	-	\$	4,685,662	\$	-	\$ 4,685,662
Goodwill	\$	-	\$	212,814	\$	-	\$ 212,814
Deposits	\$	-	\$	95,795	\$	-	\$ 95,795

Year ended September 30, 2018	Canada		UK		USA		Total
Revenue	\$	-	\$	-	\$	-	\$ -
Net loss	\$	(2,632,984)	\$	-	\$	-	\$ (2,632,984)
Capital assets	\$	-	\$	-	\$	-	\$ -

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20. INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	September 30, 2019	September 30, 2018
Net loss before taxes	\$ (3,226,965)	\$ (2,745,984)
Expected income tax (recovery)	(858,000)	(741,000)
Change in statutory, foreign tax, foreign exchange rates and other	299,000	34,000
Permanent differences	75,000	254,000
Adjustment to prior years provision versus statutory tax returns	(42,000)	13,000
Change in unrecognized deductible temporary differences	476,010	327,000
Total income tax expense (recovery)	\$ (49,990)	\$ (113,000)

The Company has the following deferred tax assets and liabilities:

	September 30, 2019	September 30, 2018
Deferred tax assets (liabilities)		
Property and equipment	\$ 5,000	\$ -
Marketable securities	12,000	62,000
Debt with accretion	-	13,000
Allowable capital losses	155,000	65,000
Non-capital losses available for future period	564,000	120,000
	736,000	260,000
Unrecognized deferred tax assets	(736,000)	(260,000)
Net deferred tax assets	\$ -	\$ -

As at September 30, 2019, the Company had non-capital losses totaling \$1,145,000 in Canada and \$6,000,000 in the UK that may be carried forward to reduce taxable income derived in future years from 2035 to indefinitely.

21. SUBSEQUENT EVENTS

- i) Subsequent to the year-end, the Company closed a non-brokered private placement for gross proceeds of \$811,558 and by the issuance of 3,688,800 common shares at a price of \$0.22 per share.
- ii) In November 2019, the Company granted a total of 3,250,000 stock options to directors and officers. These stock options vested on the date of granting, are exercisable at \$0.75 per share and expire two years from grant date.
- iii) Subsequent to the year-end, the Company acquired additional 744,829 shares of Push-UK and increased its ownership from 67.02% to 81.77%.