

PUSHFOR INVESTMENTS INC.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended December 31, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

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

PUSHFOR INVESTMENTS INC.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, expressed in Canadian dollars)

	Note	December 31, 2019	September 30, 2019
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 39,578	\$ 13,754
Receivables	5	554,011	533,574
Investments	4	184,433	104,667
Prepaid expenses		65,928	62,491
		843,950	714,486
Non-Current Assets			
Equipment	6	10,922	23,708
Right-of-Use Asset	9	466,672	
Intangible Assets	7	4,687,177	4,685,662
Goodwill	8	212,814	212,814
Deposits	10	100,993	95,795
TOTAL ASSETS		\$ 6,322,528	\$ 5,732,465
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	11	\$ 453,106	\$ 587,995
Current portion of lease liabilities	9	210,375	-
Deferred revenue		29,217	59,058
Notes payable	13	-	215,001
Short-term loans	14	395,198	248,603
		1,087,896	1,110,657
Long-term Liabilities			
Lease liabilities	9	262,924	-
TOTAL LIABILITIES		1,350,820	1,110,657
SHAREHOLDERS' EQUITY			
Share capital	15	8,318,145	7,506,587
Reserves	15	739,033	39,511
Accumulated other comprehensive loss		(115,272)	(184,955)
Deficit		(5,166,856)	(4,121,978)
Total Equity Attributable to Equity Holders of the Company		3,775,050	3,239,165
Non-controlling interest	16	1,196,658	1,382,643
TOTAL SHAREHOLDERS' EQUITY		4,971,708	4,621,808
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 6,322,528	\$ 5,732,465

Nature and continuance of operations 1
Subsequent events

On behalf of the Board:

"Aram Arapetian"
Director

"Carlo Bonacci"
Director

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

PUSHFOR INVESTMENTS INC.**CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited, expressed in Canadian dollars)**

	Notes	2019	2018
REVENUE		\$ 122,980	\$ -
COSTS OF SALES		(14,626)	-
GROSS PROFIT		108,354	-
OPERATING EXPENSES			
Consulting		948	102,657
Depreciation and amortization	6, 7, 9	137,085	-
Marketing		633	10,822
Office and administration		44,049	6,033
Professional fees	17	65,230	9,804
Rent		20,263	-
Share-based compensation		699,522	-
Travel		1,186	-
Transfer agent and regulatory fees		15,922	4,605
Wages and benefits	17	426,364	-
		1,411,202	133,921
OTHER ITEMS			
Accretion	12	-	(12,650)
Interest and bank charges	14	(10,566)	(627)
Foreign exchange loss		(8,968)	(1,638)
Gain on forgiveness of debt and interest	13	4,686	45,022
Unrealized gain (loss) on fair value of investments	4	79,781	(286,987)
		64,933	(256,880)
NET AND COMPREHENSIVE LOSS		\$ (1,237,915)	\$ (390,801)
NET LOSS ATTRIBUTABLE TO:			
Equity holders of the Company		\$ (1,044,878)	\$ (390,801)
Non-controlling interest	16	(193,037)	-
		\$ (1,237,915)	\$ (390,801)
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Company		\$ 69,683	\$ -
Non-controlling interest	16	7,052	-
		\$ 76,735	\$ -
NET AND COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Equity holders of the Company		\$ (975,195)	\$ (390,801.00)
Non-controlling interest	16	(185,985)	-
		\$ (1,161,180)	\$ (390,801.00)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Loss per share - basic and diluted		\$ (0.01)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED		115,344,881	110,941,524

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

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

	Note	Issued Common Shares		Reserves			Accumulated Other Comprehensive Loss	Retained Earnings/(Deficit)	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, 2018		109,953,222	\$ 3,926,141	\$ 20,097	\$ 39,511	\$ -	\$ (1,403,160)	\$ 2,582,589	\$ -	\$ 2,582,589	
Issuance of common shares		1,152,734	1,221,119	-	-	-	-	1,221,119	-	1,221,119	
Finders' fees		-	(64,467)	-	-	-	-	(64,467)	-	(64,467)	
Conversion of debt to common shares		1,916,504	499,223	(20,097)	-	-	-	479,126	-	479,126	
Net loss for the period		-	-	-	-	-	(390,801)	(390,801)	-	(390,801)	
Balance at December 31, 2018		113,022,460	5,582,016	-	39,511	-	(1,793,961)	3,827,566	-	3,827,566	
Issuance of common shares		4,540,081	2,215,817	-	-	-	-	2,215,817	-	2,215,817	
Return of common shares to treasury		(571,000)	(291,246)	-	-	-	-	(291,246)	-	(291,246)	
Acquisition of subsidiary		-	-	-	-	-	-	-	1,931,086	1,931,086	
Cumulative translation adjustment		-	-	-	-	(184,955)	-	(184,955)	(90,286)	(275,241)	
Net loss for the period		-	-	-	-	-	(2,328,017)	(2,328,017)	(458,157)	(2,786,174)	
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	
Issuance of common shares		3,013,409	662,950	-	-	-	-	662,950	-	662,950	
Conversion of debt to common shares		675,491	148,608	-	-	-	-	148,608	-	148,608	
Share-based compensation		-	-	-	699,522	-	-	699,522	-	699,522	
Cumulative translation adjustment		-	-	-	-	69,683	-	69,683	7,052	76,735	
Net loss for the period		-	-	-	-	-	(1,044,878)	(1,044,878)	(193,037)	(1,237,915)	
Balance at December 31, 2019		120,680,441	\$ 8,318,145	\$ -	\$ 739,033	\$ (115,272)	\$ (5,166,856)	\$ 3,775,050	\$ 1,196,658	\$ 4,971,708	

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

PUSHFOR INVESTMENTS INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited, expressed in Canadian dollars)

	2019	2018
OPERATING ACTIVITIES		
Net loss	(1,237,915)	(390,801)
Adjustments for non-cash items:		
accretion expense	-	12,650
Accrued interest expense	10,728	-
Depreciation and amortization	137,085	-
Foreign exchange	(51,072)	-
Gain on forgiveness of debt and interest	4,686	(45,022)
Share-based compensation	699,522	-
Unrealized loss on fair value of investments	(79,781)	286,987
Changes in non-cash working capital items:		
Accounts receivable	(20,437)	-
Accounts payable and accrued liabilities	(134,889)	(5,828)
Due to related parties	-	9,647
Deferred revenue	(29,841)	(544,786)
Net cash flow used in operating activities	(701,914)	(677,153)
INVESTING ACTIVITIES		
Acquisition of investments	-	(653,384)
Net cash flow used in investing activities	-	(653,384)
FINANCING ACTIVITIES		
Proceeds from short-term loans	136,029	-
Proceeds from issuance of common shares	662,950	1,221,119
Repayment of note payable	(71,241)	-
Net cash flow provided by financing activities	727,738	1,221,119
Change in cash during the period	25,824	(109,418)
Cash, beginning of period	13,754	149,708
Cash, end of period	39,578	40,290

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

PUSHFOR INVESTMENTS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2019

(Unaudited, expressed in Canadian dollars)

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 December 31, 2019, the Company had a working capital deficiency of \$243,945 (September 31, 2019 – \$396,171), incurred losses for the three months ended December 31, 2019 of \$1,237,915 (2018 - \$390,801), and has an accumulated deficit of \$5,166,856 (September 30, 2019 - \$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. 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 condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended September 30, 2019, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed consolidated interim financial statements for the three months ended December 31, 2019 were reviewed and authorized for issue by the Board of directors on June 1, 2020.

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Basis of Preparation**

These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

These condensed consolidated interim 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.

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.

PUSHFOR INVESTMENTS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2019

(Unaudited, expressed in Canadian dollars)

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

Significant Estimates and Assumptions (Cont'd)

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.

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****New Accounting Policies****IFRS 16 – Leases**

The Company adopted IFRS 16 *Leases* ("IFRS 16") as of October 1, 2019. 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 adoption of IFRS 15 increases assets and related liabilities and increases 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

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.

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***3. ACQUISITION OF SUBSIDIARY (Cont'd)**

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 December 31, 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:

	December 31, 2019		September 30, 2019	
Common Shares – Public Companies	\$	184,433	\$	104,667
Common Shares – Private Company		-		-
Warrants – Public Companies		-		-
	\$	184,433	\$	104,667

The cost and fair values of the investments at December 31, 2019 and September 30, 2019 are as follows:

	December 31, 2019		September 30, 2019	
<u>Shares – Public Companies</u>				
Cost	\$	197,059	\$	197,059
Fair Value		184,433		104,667
<u>Warrants – Public Companies</u>				
Cost		-		-
Fair Value		-		-
<u>Total</u>				
Cost		197,059		197,059
Fair Value	\$	184,433	\$	104,667

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

	December 31, 2019		September 30, 2019	
VAT receivable	\$	18,244	\$	23,430
Research and development tax credit refund		-		506,234
Corporate tax recovery		533,706		-
Other receivables		2,061		3,910
	\$	554,011	\$	533,574

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***6. EQUIPMENT**

		Equipment
Cost:		
At September 30, 2018	\$	-
Additions		48,341
Foreign exchange		(2,968)
At September 30, 2019		45,373
Additions		-
Foreign exchange		1,287
At December 31, 2019	\$	46,660
Depreciation:		
At September 30, 2018	\$	-
Charge for the year		(21,665)
At September 30, 2019		(21,665)
Charge for the period		(14,072)
At December 31, 2019	\$	(35,737)
Net Book Value:		
At September 30, 2019	\$	23,708
At December 31, 2019	\$	10,923

7. 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
Additions		-
Foreign exchange		171,148
At December 31, 2019		5,242,086
Amortization:		
At September 30, 2018 and 2017	\$	-
Charge for the year		(385,276)
At September 30, 2019		(385,276)
Charge for the period		(69,633)
At December 31, 2019	\$	(454,909)
Net Book Value:		
At September 30, 2019	\$	4,685,662
At December 31, 2019	\$	4,787,177

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***8. GOODWILL**

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

	December 31, 2019		September 30, 2019	
Balance, beginning of period	\$	212,814	\$	-
Addition		-		228,256
Foreign exchange		-		(15,442)
Balance, end of period	\$	212,814	\$	212,814

9. RIGHT OF USE ASSET AND LEASE LIABILITY

The Company's wholly owned subsidiary, Pushfor-UK, has a rental lease agreement in place for a term of 5 years. Right-of-use asset consists of corporate office spaces.

	December 31, 2019	
Right of Use Asset		
Opening balance at October 1, 2019	\$	-
Additions		521,506
Depreciation		(54,258)
Foreign exchange		(576)
Ending balance at December 31, 2019	\$	466,672
Lease Liability		
Opening balance at October 1, 2019	\$	-
Additions		521,506
Payments		(54,644)
Accrued interest		7,016
Foreign exchange		(580)
Ending balance at December 31, 2019	\$	473,298
Current portion	\$	210,374
Non-current portion	\$	262,924

Using the December 31, 2019 period end exchange rate, the estimated annual commitment over the term of the leases is as follows:

2020	\$	220,893
2021	\$	220,893
2022	\$	64,307

10. DEPOSIT

	December 31, 2019		September 30, 2019	
Office rental deposit	\$	100,993	\$	95,795

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	December 31, 2019		September 30, 2019	
Accounts payable	\$	409,175	\$	500,309
Accrued liabilities		43,931		87,686
	\$	453,106	\$	587,995

12. CONVERTIBLE DEBENTURE 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.

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.

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***12. CONVERTIBLE DEBENTURE PAYABLE (Cont'd)**

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 (the "Lender") for \$71,000 with interest at 5% per annum. The loan is unsecured and payable upon demand. During the three months ended December 31, 2019, the Company and the Lender agreed to apply the amount owed towards subscription of shares of the Company for its non-brokered private placement in October 2019. The Lender, in total, converted \$148,608 of debt (loan and accrued interests of \$73,461 and accounts payable of \$75,147) into 675,491 common shares of the Company, and recorded a gain of \$4,686 for the forgiveness of a portion of debt.

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. During the three months ended December 31, 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.

PUSHFOR INVESTMENTS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2019

(Unaudited, expressed in Canadian dollars)

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 December 31, 2019, the Company accrued \$7,808 (GBP 4,547) (September 30, 2019 - \$ 4,314 (GBP 2,611)) in interest.

On December 12, 2019, Pushfor-UK entered into a loan agreement with an unrelated party for \$132,532 (GBP 75,371) that is repayable on May 27, 2020. The loan bears interest at 5% per annum. As at December 31, 2019, the Company accrued \$337 (GBP 196) in interest.

As at December 31, 2019, total short-term loans outstanding were \$395,198 including principal and accrued interests.

15. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Share Issuances

For the three months ended December 31, 2019

In October 2019, the Company closed a non-brokered private placement for gross proceeds of \$811,558 and by the issuance of 3,688,900 common shares at a price of \$0.22 per share, of which 675,491 common shares were issued for settlement of debt (see Note 13).

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 .

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***15. SHARE CAPITAL (Cont'd)****Share Issuances (Cont'd)**

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.

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.

Options

The Company adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is subject to the restrictions imposed under applicable securities laws.

The changes in stock options are summarized as follows:

		Weighted Average Exercise Price	Number of Shares Issued or Issuable on Exercise
Balance, September 30, 2019	\$	-	-
Granted		0.75	3,250,000
Balance, December 31, 2019	\$	0.75	3,250,000

In November 2019, the Company granted 3,250,000 stock options with an exercise price of \$0.75 and expire 2 years from grant date.

During the three months ended December 31, 2019, the Company recognized share-based compensation \$699,522 (2018 - \$nil).

Stock options outstanding and exercisable on December 31, 2019 are summarized as follows:

Outstanding and Exercisable			
Exercise Price	Number of Shares Issuable on Exercise	Weighted Average	Remaining Life (Years)
\$ 0.75	3,250,000		1.87

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***15. SHARE CAPITAL (Cont'd)****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, December 31 and September 30, 2019	\$	3.50	150,000

As at December 31, 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	\$ 3.25

16. NON-CONTROLLING INTEREST

		Pushfor-UK
Balance as at September 30, 2018	\$	-
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
Share of net loss		(192,848)
Share of other comprehensive income		7,049
Balance as at December 31, 2019	\$	1,196,844

As at December 31, 2019 and 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:

		December 31, 2019	September 30, 2019
Non-controlling percentage		32.98%	32.98%
Total assets	\$	5,558,679	\$ 5,571,290
Total liabilities	\$	765,152	\$ 760,321
Net liabilities	\$	4,793,527	\$ 4,810,969

		December 31, 2019	December 31, 2018
Summarized income statement			
Loss for the period	\$	(584,743)	\$ -
Loss allocated to non-controlling interest	\$	(192,848)	\$ -
Other comprehensive loss for the period	\$	76,726	\$ -
Other comprehensive loss allocated to non-controlling interest	\$	7,049	\$ -

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***17. RELATED PARTY TRANSACTIONS****Transactions with Key Management and Directors**

The Company had the following transactions with management and directors for the three months ended December 31, 2019 and 2018.

	December 31, 2019	December 31, 2018
Pushfor-UK:		
Professional fees	\$ 62,317	\$ -
Salaries	63,728	-
Social security	8,288	-
Pensions	559	-
	\$ 134,892	\$ -

Due to Related Parties

As at December 31, 2019, the Company had a balance of \$21,760 (GBP 12,670) (September 30, 2019 - \$nil) owing to a company controlled by a director.

18. 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 three months ended December 31, 2019 and 2018:

Three months ended December 31, 2019	Investment	Software Development	Total
Revenue	\$ -	\$ 122,980	\$ 122,980
Net Loss	\$ (652,601)	\$ (584,743)	\$ (1,237,344)
Capital assets	\$ -	\$ 10,923	\$ 10,923
Right-of-use assets	\$ -	\$ 466,672	\$ 466,672
Intangible assets	\$ -	\$ 4,687,177	\$ 4,687,177
Goodwill	\$ -	\$ 212,814	\$ 212,814
Deposits	\$ -	\$ 100,994	\$ 100,994

Three months ended December 30, 2018	Investment	Software Development	Total
Revenue	\$ -	\$ -	\$ -
Net loss	\$ (390,801)	\$ -	\$ (390,801)
Capital assets	\$ -	\$ -	\$ -

PUSHFOR INVESTMENTS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2019

*(Unaudited, expressed in Canadian dollars)***18. SEGMENTED INFORMATION (Cont'd)**

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

Three months ended December 31, 2019	Canada	UK	USA	Total
Revenue	\$ -	\$ 122,980	\$ -	\$ 122,980
Net loss	\$ (652,601)	\$ (462,695)	\$ (122,048)	\$ (1,237,344)
Capital assets	\$ -	\$ 10,923	\$ -	\$ 10,923
Right-of-use assets	\$ -	\$ 466,672	\$ -	\$ 466,672
Intangible assets	\$ -	\$ 4,687,177	\$ -	\$ 4,687,177
Goodwill	\$ -	\$ 212,814	\$ -	\$ 212,814
Deposits	\$ -	\$ 100,994	\$ -	\$ 100,994

Three months ended December 31, 2018	Canada	UK	USA	Total
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (390,801)	\$ -	\$ -	\$ (390,801)
Capital assets	\$ -	\$ -	\$ -	\$ -

19. SUBSEQUENT EVENTS

Subsequent to the three months ended December 31, 2019, the Company acquired additional 744,829 shares of Push-UK and increased its ownership from 67.02% to 81.77%.

Subsequent to the three months ended December 31, 2019, the Company repaid the principal and accrued interest of all its short-term loans (Note 14).