Consolidated Financial Statements
For the years ended December 31, 2019

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Exro Technologies Inc.

Opinion

We have audited the consolidated financial statements of Exro Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which indicates that the Company does not generate revenues and has incurred losses since inception. As stated in Note 2, these events or 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 Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Matthew Gosden.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 29, 2020

Exro Technologies Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at		December 31, 2019		December 31, 2018
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	496,636	$	751,928
Amounts receivable (note 4)		44,579		66,510
Prepaid expense		134,937		115,910
		676,152		934,348
Deposits		17,336		11,586
Investments (note 5)		942		1,884
Intangibles (note 6)		63,049		63,049
Equipment (note 7)		130,620		105,453
TOTAL ASSETS	**$**	**888,099**	**$**	**1,116,320**
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (note 8)	$	214,192	$	181,346
Due to related parties (note 10)		60,519		45,347
Lease liability – current portion (note 9)		36,257		-
		310,968		226,693
Lease liability (note 9)		3,154		-
TOTAL LIABILITIES		314,122		226,693
SHAREHOLDERS' EQUITY				
Share capital (note 11)		24,048,395		20,345,930
Reserves (note 11)		1,793,846		1,146,930
Deficit		(25,268,264)		(20,603,233)
TOTAL SHAREHOLDERS' EQUITY		573,977		889,627
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**888,099**	**$**	**1,116,320**

Continuance of operations (note 2)
Commitments (note 15)
Subsequent events (note 16)

These Consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2020. They are signed on the Company's behalf by:

"Mark Godsy" ______________________,
Director

"Jill Bodkin" ______________________,
Director

See accompanying notes to the consolidated financial statements

Exro Technologies Inc.
Consolidated Statements of Comprehensive Loss
For the years ended December 31,
(Expressed in Canadian dollars)

		2019		2018
EXPENSES				
Advertising and marketing	$	215,610	$	259,916
Amortization expense (note 7)		51,252		14,927
Interest expense		5,415		-
Investor relations		90,525		27,585
Office and rent		386,850		205,604
Payroll and consulting fees (note 10)		1,993,888		1,486,381
Professional fees		406,121		272,240
Research and development		536,269		308,841
Share-based payments (note 10 and 11)		625,467		348,066
Regulatory fees		100,519		91,097
Travel and entertainment		222,144		147,838
TOTAL EXPENSES		(4,634,060)		(3,162,495)
OTHER INCOME (EXPENSES)				
Foreign exchange loss		(32,804)		(13,709)
Interest income		904		14,180
Gain on sale of investment		929		-
TOTAL OTHER INCOME (EXPENSES)		(30,971)		471
NET LOSS BEFORE INCOME TAX		(4,665,031)		(3,162,024)
INCOME TAX RECOVERY (note 14)		-		34,679
NET AND COMPREHENSIVE LOSS	**$**	**(4,665,031)**	**$**	**(3,127,345)**
Loss per share - basic and diluted	**$**	**(0.07)**	**$**	**(0.06)**
Weighted average number of common shares outstanding		**62,458,935**		**49,806,786**

See accompanying notes to the consolidated financial statements

Exro Technologies Inc.
Consolidated Statement of Shareholders' Equity
(Expressed in Canadian dollars)

	Number of outstanding shares		Share capital		Reserves		Deficit		Total shareholders' equity
Balance, December 31, 2017	**46,115,344**	**$**	**18,399,540**	**$**	**691,679**	**$**	**(17,475,888)**	**$**	**1,615,331**
Private placement, net of issuance cost (note 11)	8,310,000		1,887,833		58,492		-		1,946,325
Shares issued on exercise of options	91,250		32,658		(14,408)		-		18,250
Shares issued on exercise of warrants	35,000		10,649		(3,649)		-		7,000
Shares issued and shares contingently issuable on acquisition of Adaptive (note 15)	50,000		15,250		66,750		-		82,000
Share-based payments (note 11)	-		-		348,066		-		348,066
Net Loss	-		-		-		(3,127,345)		(3,127,345)
Balance, December 31, 2018	**54,601,594**		**20,345,930**		**1,146,930**		**(20,603,233)**		**889,627**
Private placement, net of issuance cost (note 11)	14,903,610		3,575,497		74,109		-		3,649,606
Shares issued on exercise of options	300,000		105,205		(45,205)		-		60,000
Shares issued on exercise of warrants	71,540		21,763		(7,455)		-		14,308
Share-based payments (note 11)	-		-		625,467		-		625,467
Net Loss	-		-		-		(4,665,031)		(4,665,031)
Balance, December 31, 2019	**69,876,744**	**$**	**24,048,395**	**$**	**1,793,846**	**$**	**(25,268,264)**	**$**	**573,977**

See accompanying notes to the consolidated financial statements

Exro Technologies Inc.
Consolidated Statements of Cash Flows
For the year ended December 31,
(Expressed in Canadian dollars)

		2019		2018
OPERATING ACTIVITIES				
Net loss for the year	$	(4,665,031)	$	(3,127,345)
Items not involving cash:				
Amortization		51,252		14,927
Share-based payments		625,467		348,066
Gain on disposal of investment		(929)		-
Net changes in non-cash working capital items:				
Amounts receivable		23,802		25,169
Prepaid expenses		(19,027)		160,092
Accounts payable and accrued liabilities		32,846		79,936
Due to related parties		15,172		(55,105)
Cash used in operating activities		**(3,936,448)**		**(2,554,260)**
INVESTING ACTIVITIES				
Purchase of investments		-		(1,884)
Deposits		(5,750)		-
Cash acquired on acquisition of subsidiary		-		5,593
Acquisition of patented technology		-		(3,794)
Purchase of equipment		(5,300)		(91,493)
Cash used in investing activities		**(11,050)**		**(91,578)**
FINANCING ACTIVITIES				
Proceeds from exercise of options		60,000		18,250
Proceeds from exercise of warrants		14,308		7,000
Proceeds from private placement		3,860,364		2,077,501
Share issue costs		(210,758)		(131,176)
Principal repayment of lease liability		(31,708)		-
Cash provided by financing activities		**3,692,206**		**1,971,575**
Decrease in cash and cash equivalents		(255,292)		(674,263)
Cash and cash equivalents, beginning of the year		751,928		1,426,191
Cash and cash equivalents, end of the year	**$**	**496,636**	**$**	**751,928**

Cash and cash equivalents consist of the following:

Cash at bank	$	444,886	$	728,928
Redeemable guaranteed investment certificates		51,750		23,000
Total cash and cash equivalents	**$**	**496,636**	**$**	**751,928**

See accompanying notes to the consolidated financial statements

1 NATURE OF OPERATIONS

Exro Technologies Inc. ("Exro" or the "Company") is incorporated under the British Columbia Business Corporations Act. The Company's shares are listed on the Canadian Securities Exchange (the "Exchange") and trades under the symbol "XRO". The Company's head office is located at 2300 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 4X3. The Company is working towards commercializing its patented Dynamic Power Management ("DPM") technology and proprietary system architecture for rotating electrical machines.

2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company for the year ended December 31, 2019 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2020.

(b) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, DPM Technologies Inc. and Exro Europe AS ("Adaptive" – Note 15) from the dates of acquisition. All inter-company balances and transactions have been eliminated on consolidation.

The Company controls an investee if the Company has power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in loss and comprehensive loss from the date that the Company gains control until the date that the Company ceases to control the subsidiary.

2 BASIS OF PREPARATION (CONTINUED)

(c) Continuance of operations

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company currently does not generate revenues, has incurred losses since inception and further losses are anticipated as it further works towards commercializing its technology. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity and debt financing, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

(d) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company reviews its estimates and underlying assumptions on an ongoing basis.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

i. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

ii. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

iii. Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

iv. Management is required to determine whether or not the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projection, as well as current working capital balance and future commitments of the Company.

v. Judgements are made in determining the fair value of share-based payments including shares issued or contingently issuable in connection with the acquisition of Adaptive (Note 15), which included making estimates of the likelihood of certain milestones being met.

2. BASIS OF PRESENTATION (CONTINUED)

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

i. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. 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 date of the statement of financial position could be impacted.

   Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

iii. Equipment and intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is calculated using management' best estimate on the useful life of the assets. Determination of impairment loss is subject to management's assessment if there is any indication of a possible write-down; and if so, the determination of recoverable value based on discounted future cash flows of the intangible assets. The carrying amount of nil for intangible does not necessarily reflect present or future value and the ultimate amount recoverable will be dependent upon the successful commercialization of products based on these underlying technologies.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies:

(a) Changes in accounting policies

These consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual consolidated financial statement for the fiscal year ended December 31, 2018, with the exception of the following:

Adoption of new standards – IFRS 16 *Leases*

The Company adopted the requirements of IFRS 16 effective January 1, 2019. This new standard replaces IAS 17 *Leases* and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. The Company applied IFRS 16 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to measure its right-of-use assets at amounts equal to the associated lease liabilities; as such, the adjustment to retained earnings will be nil.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Changes in accounting policies (continued)

Adoption of new standards – IFRS 16 *Leases* (continued)

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short-term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company did not recognize any additional right-of-use assets and lease liabilities related to the Company's leased premises, as the only lease outstanding at December 31, 2018 expired during the year ended December 31, 2019.

The following is a reconciliation of total operating lease commitments at December 31, 2018 to the lease liabilities recognized at January 1, 2019:

Total operating lease commitments disclosed at December 31, 2018	$	38,900
Recognition exemptions:		
Leases with remaining lease terms of less than 12 months		(38,900)
Lease liabilities before discounting	$	-

For any new contracts entered into on or after January 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Company assesses whether the contract meets three key evaluations, which are whether:

i. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.

ii. The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

iii. The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Changes in accounting policies (continued)

Adoption of new standards – IFRS 16 *Leases* (continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

(b) Foreign currency translation

The functional currency of the Company and each of its subsidiaries is the currency of the primary economic environment in which they operate. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Transactions in other than an entity's functional currency are recorded at exchange rates prevailing on the dates of the transactions.

(c) Share-based payments

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured, and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of options. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in warrants reserve is transferred to share capital. Charges for options or warrants that are cancelled or expire are reclassified from contributed surplus to deficit.

(d) Equipment

Equipment is recorded at cost and amortized at a rate of 20% on a declining balance basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets are recognized only to the extent that it is probable that future profit will be available against which such assets can be utilized.

(f) Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method whereby all in the money options and warrants are assumed to have been exercised at the beginning of the year and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. In periods of loss basic and diluted loss per share are the same, as the effect of the exercise of outstanding options and warrants is anti-dilutive.

(g) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("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 if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash	Amortized cost
Amounts receivable	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Measurement

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (continued)

Measurement (continued)

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 the consolidated statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be 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.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments, such as guaranteed investment certificates with original maturities of three months or less. Guaranteed investment certificates are investments with Canadian banks that are the equivalent of a certificate of deposit.

(i) Intangible assets

Intangible Assets Acquired Separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (continued)

Internally-Generated Intangible Assets - Research and Development Expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
ii. The intention to complete the intangible asset and use or sell it;
iii. The ability to use or sell the intangible asset;
iv. How the intangible asset will generate probable future economic benefits;
v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
vi. The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

At December 31, 2019 and 2018, the Company has not recognized any internally-generated intangible assets.

(j) Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on Barrick in the current or future reporting periods.

4. AMOUNTS RECEIVABLE

		December 31, 2019		December 31, 2018
Research and development tax credit receivable	$	-	$	55,978
GST and other sales tax receivable		44,579		10,532
	$	44,579	$	66,510

(Expressed in Canadian dollars)

5. INVESTMENTS

During the year ended December 31, 2018, the Company acquired 570,000 shares of Exnite AS, a Norwegian company, for 6,000 Norwegian Krones (Can $942) representing 19% of the total issued and outstanding shares of the company. The company also acquired 564,000 shares of Exarge AS, a Norwegian company, for 6,000 Norwegian Krones (Can $942), representing 18.7% of the total issued and outstanding shares of the company. During the year ended December 31, 2019, the Company sold its shares of Exarge AS for $1,871 resulting in a gain of $929.

The cost of the investments was determined to approximate fair value.

6. INTANGIBLE ASSETS

On August 29, 2018, the Company acquired all of the issued and outstanding shares of Adaptive (note 15). As part of the acquisition the Company acquired certain patents and intellectual property held by Adaptive that is complimentary to Exro's prototype generator. Based on the consideration for the acquisition of Adaptive the Company estimated the total value of the intellectual property acquired to be $63,049.

		Patents and intellectual property
Cost		
Balance, December 31, 2017	$	-
Additions – Patented costs (note 15)		63,049
Balance, December 31, 2019 and 2018	$	63,049

The technology is in development and not ready for its intended use. Therefore, no amortization has been recorded.

7. EQUIPMENT

		Right-of-Use Asset		Research and Development Equipment		Furniture and Office Equipment		Total
Cost								
Balance, December 31, 2017	$	-	$	20,877	$	11,220	$	32,097
Additions		-		81,108		10,385		91,493
Balance, December 31, 2018		-		101,985		21,605		123,590
Additions		71,119		-		5,300		76,419
Balance, December 31, 2019	$	71,119	$	101,985	$	26,905	$	200,009
Accumulated amortization								
Balance, December 31, 2017	$	-	$	2,088	$	1,122	$	3,210
Amortization for the year		-		11,869		3,058		14,927
Balance, December 31, 2018		-		13,957		4,180		18,137
Amortization for the year		29,633		17,605		4,014		51,252
Balance, December 31, 2019	$	29,633	$	31,562	$	8,194	$	69,389
Carrying amounts								
At December 31, 2018	$	-	$	88,028	$	17,425	$	105,453
At December 31, 2019	$	41,486	$	70,423	$	18,711	$	130,620

(Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2019	December 31, 2018
Accounts payable	$ 148,007	$ 131,108
Accrued liabilities	66,185	50,238
	$ 214,192	$ 181,346

9. LEASE LIABILITY

Balance at January 1, 2019, on adoption of IFRS 16	$ -
Additions for the period	71,119
Lease payments	(34,925)
Interest	3,217
Balance, December 31, 2019	**$ 39,411**
Consists of:	
Current lease liability	$ 36,257
Non-current lease liability	3,154
Balance, December 31, 2019	**$ 39,411**

On March 1, 2019, the Company entered into a new lease agreement for its Vancouver head office premises. The lease has an initial term of one year and is automatically renewable for additional successive terms of one year each. The Company has determined it is reasonably certain to exercise one renewal option. The Company is obligated to pay basic rent of $3,175 and pay-per-use services and fees to pay for operating costs, including electricity and related taxes, on a monthly basis.

10. RELATED PARTY TRANSACTIONS

Key management compensation

Key management consists of the Officers and Directors who are responsible for planning, directing and controlling the activities of the Company. For the years ended December 31, 2019 and 2018, key management compensation, including compensation paid to companies that are controlled by the Officers and Directors, was as follows:

	December 31, 2019	December 31, 2018
Management and consulting fees	$ 1,152,574	$ 649,357
Share based compensation	329,668	127,443
	$ 1,482,242	$ 776,800

All due to related party payables consist of amounts resulting from unpaid fees and expense reimbursements and are unsecured, non-interest bearing, and due on demand.

11. SHARE CAPITAL

(a) Authorized common shares

There are an unlimited number of common shares without par value authorized for issue.

(b) Issued

At December 31, 2019, the Company had 69,876,744 common shares issued and outstanding (December 31, 2018 – 54,601,594).

(Expressed in Canadian dollars)

11. SHARE CAPITAL (CONTINUED)

(a) Issued (continued)

During the year ended December 31, 2019, the Company:

- On October 21, 2019 through October 31, 2019 the Company completed a private placement of 6,723,110 shares at a price of $0.27 per share for proceeds of $1,815,239. The Company paid finders' fees of $67,599 and issued 250,368 broker warrants with an exercise price of $0.40 per share with a twelve-month expiry. The fair value of the broker warrants was estimated to be $16,922.
- On March 22, 2019 the Company completed a private placement of 8,180,500 shares at a price of $0.25 per share for proceeds of $2,045,125. The Company paid finders' fees of $143,159 and issued 572,635 broker warrants with an exercise price of $0.35 per share with a twelve-month expiry. The fair value of the broker warrants was estimated to be $55,458.
- Issued 300,000 shares on exercise of 300,000 options at an exercise price of $0.20 for total proceeds of $60,000.
- Issued 71,540 shares on exercise of 71,540 warrants at an exercise price of $0.20 for total proceeds of $14,308.

During the year ended December 31, 2018, the Company:

- the Company completed a private placement of 8,310,000 shares at a price of $0.25 per share for proceeds of $2,077,500. The Company paid finder's fees of $131,175 issued 524,300 broker warrants with an exercise price of $0.35 per share and a twelve-month expiry. The fair value of the broker warrants was estimated to be $58,492;
- the Company issued 126,250 shares on exercise of 91,250 options and 35,000 warrants at an exercise price of $0.20 for total proceeds of $25,250. An amount of $18,057 was transferred from reserves to share capital; and
- The Company issued 50,000 shares on acquisition of Adaptive (note 4). These shares were valued at $0.31 per share, the market value at the date of closing of the agreement.

(b) Stock options

The Company's incentive stock option plan (the "Option Plan") provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. The Option Plan is a fixed plan from a 10% rolling plan.

Under the Option Plan, the maximum number of common shares that may be optioned in favor of any single individual will not exceed 5% of the issued and outstanding common shares at the date of grant. The maximum number of common shares that may be optioned in favor of directors and senior officers under the Option Plan is 10% of the issued and outstanding common shares at the date of grant.

During the year-ended December 31, 2019 and 2018, the Company recorded share-based payments of $586,026 and $326,042, respectively. The fair values of share options granted were estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2019	**2018**
Risk-free interest rate	1.50%	2.00%
Estimated annualized volatility based on comparable companies	97.59%	104.96%
Expected life	4.88 years	4.69 years
Expected dividend yield	0%	0%
Exercise price	$ 0.25	$ 0.39
Fair value	$ 0.20	$ 0.27
Share price	$ 0.27	$ 0.36

(Expressed in Canadian dollars)

11. SHARE CAPITAL (CONTINUED)

(b) Stock options (continued)

The vesting terms for the stock options granted during the year ended December 31, 2019 were as follows:

- 1,075,000 options granted September 13, 2019 to consultants vest 33% six months after grant, 33% twelve months after grant and 18 months after grant
- 2,000,000 options granted September 13, 2019 vest 33% immediately, 33% one year after grant and 34% two years after grant

The vesting terms for the stock options granted during the year ended December 31, 2018 were as follows:

- 75,000 options granted on April 16, 2018 vested immediately;
- 350,000 options granted April 16, 2018 and 300,000 options granted July 18, 2018 will vest 33% after three months and 22% after one year, 22% after two years and 23% three years after date of issue; and
- 1,975,000 options granted November 8, 2019 will vest 33% May 8, 2019, 33% November 8, 2019 and 33% November 8, 2020.

Stock option transactions and the number of stock options outstanding are summarized below:

	Number	Weighted Average Exercise Price $
Balance, December 31, 2017	4,725,000	0. 25
Granted	2,700,000	0.37
Exercised	(91,250)	0.20
Cancelled	(600,000)	0.43
Expired	(133,750)	0.54
Balance, December 31, 2018	6,600,000	0.27
Granted	3,075,000	0.25
Exercised	(300,000)	0.20
Expired	(318,683)	0.37
	9,056,317	0.27

Date of Expiry	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
August 22, 2022	$0.20	3,289,650	3,289,650
October 26, 2022	$0.26	300,000	300,000
December 18, 2022	$0.28	300,000	300,000
April 16, 2023	$.027	50,000	50,000
July 18, 2023	$0.29	300,000	300,000
November 8, 2023	$0.41	1,741,667	1,741,667
September 24, 2024	$0.27	3,075,000	666,666
Balance, December 31, 2019		9,056,317	6,647,983

As of December 31, 2019, the weighted average remaining life for outstanding options was 3.62 years.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (CONTINUED)

(c) Warrants

	Number	Weighted Average Exercise Price $
Balance, December 31, 2017	-	-
Issued	115,000	0.35
Balance, December 31, 2018	115,000	0.35
Issued	600,000	0.31
Balance, December 31, 2019	715,000	0.31

Expiry Date	Exercise Price	Number of Warrants December 31, 2019	Number of Warrants December 31, 2018
March 20, 2020	$0.25	65,000	65,000
August 28, 2021	$0.40	50,000	50,000
October 10, 2020	$0.37	100,000	-
June 21, 2024	$0.30	500,000	-
Total		715,000	115,000

During the year ended December 31, 2019, the Company recorded share-based payments of $39,480 (2018 - $22,024) related to 600,000 (2018 - 115,000) warrants issued for services. The fair values of these share warrants are estimated using the Black-Scholes option pricing model with the following weighted-average assumptions: an expected volatility of 110%, an expected life of 4.98 year, a risk-free rate of 1.50% and a dividend yield of Nil.

(d) Brokers Warrants

	Number	Weighted Average Exercise Price $
Balance, December 31, 2017	1,210,790	0.36
Issued	524,300	0.34
Exercised	(35,000)	(0.20)
Balance, December 31, 2018	1,700,090	0.36
Issued	823,003	0.27
Exercised	(71,540)	(0.20)
Expired	(1,628,550)	(0.24)
Balance, December 31, 2019	823,003	0.28

Expiry Date	Exercise Price	Number of Warrants December 31, 2019	Number of Warrants December 31, 2018
August 29, 2019	$1.24	-	190,890
July 26, 2019	$0.20	-	984,900
July 26, 2019	$0.35	-	524,300
March 22, 2020	$0.35	572,635	-
October 21, 2020	$0.40	230,768	-
October 30, 2020	$0.40	19,600	-
Total		823,003	1,700,090

11. SHARE CAPITAL (CONTINUED)

(d) Warrants (continued)

The fair value of the 823,003 (2018 – 524,300) finders' warrants was estimated to be $74,109 (2018 - $58,492) using the Black-Scholes option price model with the following assumptions: an expected volatility of 100% – 2018 - 105%), an expected life of one year (2018 - one years), a risk-free rate of 1.54% (2018 – 2.02%) and a dividend yield of Nil (2018 - nil).

(e) Shares in Escrow

During the year ended December 31, 2017, the Company entered into an escrow agreement with certain insiders and shareholders. Pursuant to the escrow agreement, 7,576,556 common shares were to be held in escrow, of which 10% were released on August 29, 2018, which was the date the common shares of the Company were listed and posted for trading on the exchange, and 15% will be released every six months thereafter to August 29, 2020. As at December 31, 2019, 2,272,967 common shares remain held in escrow.

12. FINANCIAL INSTRUMENTS

(a) Fair value

At December 31, 2019 and December 31, 2018, the carrying values of amounts receivable, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the relatively short period to maturity of those financial instruments. The Company measures its cash and investments at fair value.

The Company uses a fair value hierarchy to reflect the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

The fair value of cash has been determined using Level 1 inputs. The fair value of the investments has been determined using cost which is a level 3 input.

(b) Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at December 31, 2019, the Company's exposure to credit risk is the carrying value of cash. The Company reduces its credit risk by holding its cash at a major Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

As at December 31, 2019, the Company had cash of $496,636, accounts payable and accrued liabilities of $214,192 and related party payable of $60,519. All accounts payable and accrued liabilities are due within 90 days.

12. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. These are discussed further below.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Company has financial assets and financial liabilities denoted in US dollars and Norwegian Krone and is therefore exposed to exchange rate fluctuations. At December 31, 2019, the Company had the equivalent of Can$3,541 in net financial liabilities denominated in US dollars and had the equivalent of Can$95,200 in net financial assets denominated in Norwegian Krones.

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

13. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue the acquisition and development technology. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. In order to carry out planned development and pay for administrative costs, the Company will spend its existing working and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's approach to capital management during the year ended December 31, 2019. The Company is not subject to externally imposed capital restrictions.

(Expressed in Canadian dollars)

14. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% (2018 - 27%) to income before income taxes. The reasons for the differences are as follows:

		December 31, 2019		December 31, 2018
Net loss for the year	$	(4,665,031)	$	(3,162,495)
Statutory tax rate		27%		27%
Expected income tax recovery		(1,259,558)		(853,746)
Items not deductible for tax purposes		163,870		103,209
Other		17,188		-
Differences on tax of other jurisdictions		5,410		1,746
Effect of tax rate changes		-		1,332
Effect of exchange on temporary differences		6,687		323
Change in unrecognized tax assets		1,066,403		712,457
Income tax recovery	**$**	**-**	**$**	**(34,679)**

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at December 31, 2019 and 2018 are presented below:

		December 31, 2019		December 31, 2018
Deferred tax Asset:				
Non-capital losses	$	5,369	$	-
Total deferred tax asset		5,369		-
Deferred tax Liabilities:				
Property and equipment		5,369		-
Total deferred tax liabilities		5,369		-
Net deferred taxes assets and liabilities	$	-	$	-

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		December 31, 2019		December 31, 2018
Non-capital losses	**$**	19,656,000	$	15,567,000
Property and equipment		-		22,000
Share issue cost		170,000		76,000
Lease liability		40,000		-
	$	**19,866,000**	**$**	**15,667,000**

The Company has incurred non-capital losses in Canada of approximately $19,246,000 (2018 - $15,567,000) that may be carried forward and used to reduce taxable income which will expire in the years 2026 – 2039 and non-capital losses in Norway of $410,000 which can be carried forward for an indefinite period of time.

(Expressed in Canadian dollars)

15. ACQUISITION OF ADAPTIVE

On August 29, 2018, the Company acquired 100% of the issued and outstanding shares of Adaptive. As consideration the Company issued 50,000 common shares upon closing of the agreement, will issue a further 200,000 shares upon commercialization of the technology by Exro and 750,000 additional Shares will be issued to Adaptive Shareholders upon realization of certain commercial milestones. Exro will further pay a two per cent royalty on net commercial sales based upon the use of any aspect of Adaptive' s synergistic and complementary technology to a maximum of $250,000.

The consideration paid on the acquisition of Adaptive was accounted for as a share-based payment with the fair value determined using the estimated probability of the milestones for the contingently issuable shares being met. The total cost of the acquisition is as follows:

Common shares issued	$	15,250
Common shares contingently pursuant to achieving milestones		66,750
Transaction costs on transfer of patents		3,793
	$	85,793

The Assets acquired, and purchase price allocation was:

Cash	$	5,593
Accounts receivable		44,290
Patent		63,049
Accounts payable		(27,139)
	$	85,793

16. SUBSEQUENT EVENTS

a) Subsequent to December 31, 2019, the Company issued 12,284,545 common shares at a price of $0.35 for total proceeds of $4,299,590. The company paid finders fees consisting of 7% cash and issued compensation warrants equal to 7% of the number of shares issued. Each finder's warrant is exercisable to acquire one common share for a period of 12 months from the closing at an exercise price of $0.42 per share.

b) Subsequent to December 31, 2019 the company issued 127,500 shares on exercise of options for total proceeds of $25,500.

c) Subsequent to December 31, 2019 the company issued 591,460 shares on exercise of 526,460 warrants with an exercise price of $0.35 and 65,000 warrants with an exercise price of $0.25 for total proceeds of $200,511.

d) Subsequent to December 31, 2019 the company granted incentive stock options to directors, officers and employees and consultants to purchase 735,000 shares at an exercise price of $0.375 per share.

e) The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.