



Condensed Interim Consolidated Financial Statements (unaudited)
First quarter ended March 31, 2020

TABLE OF CONTENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Page
Interim Consolidated Statements of Income.....	2
Interim Consolidated Statements of Comprehensive Income (Loss).....	3
Interim Consolidated Statements of Changes in Equity.....	4
Interim Consolidated Statements of Financial Position.....	5
Interim Consolidated Statements of Cash Flows.....	6

Notes to Condensed Interim Consolidated Financial Statements

1 - Nature of Operations and Going Concern.....	7
2 - Basis of Presentation.....	8
3 - Significant Accounting Policies.....	8
4 - Critical Accounting Estimates and Judgements.....	8
5 - Segmented Information.....	9
6 - Mining Operation Expenses.....	10
7 - Administrative Expenses.....	10
8 - Financial Expenses.....	10
9 - Inventories.....	11
10 - Accounts Receivable.....	11
11 - Mining Properties.....	11
12 - Property, Plant and Equipment.....	12
13 - Accounts Payable.....	12
14 - Long-Term Debt and Line of Credit.....	13
15 - Environmental Liabilities.....	14
16 - Lease Obligations.....	14
17 - Accumulated Other Comprehensive Income.....	15
18 - Additional Information on the Interim Consolidated Statements of Cash Flows.....	15
19 - Earnings per Share.....	16
20 - Contingency.....	16
21 - Financial Instruments.....	17
22 - Related Party Transactions.....	18
23 - Subsequent Event.....	18

INTERIM CONSOLIDATED STATEMENTS OF INCOMEFirsts quarters
ended March 31,

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

	2020 \$	2019 \$
REVENUE - GOLD SALES	30,863,771	18,869,767
COSTS OF OPERATIONS		
Mining operation expenses - note 6	8,205,883	7,719,316
Administrative expenses - note 7	3,018,593	2,828,583
Depreciation of property, plant and equipment and amortization of intangible assets	7,403,106	8,364,514
OPERATING INCOME (LOSS)	12,236,189	(42,646)
OTHER EXPENSES (INCOME)		
Financial expenses - note 8	326,321	798,122
Foreign exchange loss	372,782	5,638
Other income	(10,354)	(6,197)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	11,547,440	(840,209)
Income tax expense (recovery)		
Current	223,095	165,479
Deferred	1,610,011	(1,675,648)
	1,833,106	(1,510,169)
NET INCOME FOR THE PERIOD	9,714,334	669,960
ATTRIBUTABLE TO		
Common shareholders	9,666,234	825,022
Non-controlling interest	48,100	(155,062)
	9,714,334	669,960
EARNINGS PER SHARE - note 19		
Basic	0.017	0.001
Diluted	0.016	0.001

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

**Firsts quarters
ended March 31,**

	2020	2019
	\$	\$
NET INCOME FOR THE PERIOD	9,714,334	669,960
Other comprehensive income (loss)		
Item that may be reclassified subsequently to net loss		
Exchange difference	6,219,231	(2,728,567)
COMPREHENSIVE INCOME (LOSS)	15,933,565	(2,058,607)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO		
Common shareholders	15,846,434	(1,881,105)
Non-controlling interest	87,131	(177,502)
	15,933,565	(2,058,607)

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

	Common shareholders				Total	Non-controlling interest	Total equity
	Share capital	Reserve - stock options	Deficit	Accumulated other comprehensive income - note 17			
Balance as at December 31, 2018	66,734,172	3,352,295	(19,931,484)	6,066,553	56,221,536	695,217	56,916,753
Net income (loss) for the period	---	---	825,022	---	825,022	(155,062)	669,960
Other comprehensive loss	---	---	---	(2,706,127)	(2,706,127)	(22,440)	(2,728,567)
Comprehensive income (loss) for the period	---	---	825,022	(2,706,127)	(1,881,105)	(177,502)	(2,058,607)
Balance as at March 31, 2019	66,734,172	3,352,295	(19,106,462)	3,360,426	54,340,431	517,715	54,858,146
Balance as at December 31, 2019	66,850,704	4,185,214	(859,288)	1,778,494	71,955,124	724,344	72,679,468
Net income for the period	---	---	9,666,234	---	9,666,234	48,100	9,714,334
Other comprehensive income	---	---	---	6,180,200	6,180,200	39,031	6,219,231
Comprehensive income for the period	---	---	9,666,234	6,180,200	15,846,434	87,131	15,933,565
Dividend	---	---	(11,605,191)	---	(11,605,191)	---	(11,605,191)
Balance as at March 31, 2020	66,850,704	4,185,214	(2,798,245)	7,958,694	76,196,367	811,475	77,007,842

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

	As at March 31, 2020	As at December 31, 2019
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	25,261,800	13,599,000
Inventories - note 9	10,627,510	10,055,138
Accounts receivable - note 10	2,276,705	1,715,666
Prepaid expenses	337,571	185,373
Deposits paid	2,575,114	1,330,412
	41,078,700	26,885,589
MINING PROPERTIES - note 11	7,737,421	7,111,382
PROPERTY, PLANT AND EQUIPMENT - note 12	66,336,127	63,632,476
INTANGIBLE ASSETS	78,457	77,875
	115,230,705	97,707,322
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable - note 13	10,211,920	9,226,879
Dividend payable	11,605,191	---
Current portion of long-term debt - note 14	6,232,047	7,186,918
Line of credit - note 14	27,744	---
Current portion of lease obligations - note 16	325,212	146,963
	28,402,114	16,560,760
LONG-TERM DEBT - note 14	5,443,423	6,073,242
ENVIRONMENTAL LIABILITIES - note 15	808,646	736,272
LEASE OBLIGATIONS - note 16	298,418	182,488
DEFERRED INCOME TAX	3,270,262	1,475,092
	38,222,863	25,027,854
EQUITY		
Share capital	66,850,704	66,850,704
Reserve - stock options	4,185,214	4,185,214
Deficit	(2,798,245)	(859,288)
Accumulated other comprehensive income - note 17	7,958,694	1,778,494
	76,196,367	71,955,124
Non-controlling interest	811,475	724,344
	77,007,842	72,679,468
	115,230,705	97,707,322

Going concern (note 1)

Subsequent event (note 23)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWSFirst quarters
ended March 31,

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

	2020 \$	2019 \$
CASH FLOWS FROM THE FOLLOWING ACTIVITIES		
Operating		
Net income for the period	9,714,334	669,960
Adjustments for		
Financial expenses	326,321	798,122
Depreciation of property, plant and equipment and amortization of intangible assets	7,403,106	8,364,514
Deferred income tax expense (recovery)	1,610,011	(1,675,648)
Net changes in non-cash working capital items - note 18	(742,681)	(5,981,228)
Paid interest	(304,467)	(457,666)
	18,006,624	1,718,054
Investing		
Variation in deposits paid	(361,666)	(669,477)
Acquisition of mining properties	(122,250)	(1,579,818)
Acquisition of property, plant and equipment	(5,657,331)	(3,797,633)
Acquisition of intangible assets	---	(1,818)
	(6,141,247)	(6,048,746)
Financing		
Repayment of long-term debt	(2,517,927)	(2,276,260)
Variation in lines of credit	41,378	357,628
Payments of lease obligations	(62,388)	(21,327)
	(2,538,937)	(1,939,959)
Effect of exchange rate changes on cash	2,336,360	(234,247)
Increase (decrease) in cash	11,662,800	(6,504,898)
Cash at the beginning of the period	13,599,000	7,422,458
Cash at the end of the period	25,261,800	917,560
Tax paid	155,041	103,625

Additional information (note 18)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

1 - NATURE OF OPERATIONS AND GOING CONCERN

Nature of activities

Robex Resources Inc. (the "Company") is a junior Canadian operations and exploration mining company. The Company has entered into commercial operation on its Nampala deposit, located on the Mininko permit, on January 1, 2017. In addition to its operational mining activities, the Company currently holds four exploration permits, all located in Mali, West Africa. These permits all demonstrate a favourable geology with a potential for the discovery of gold deposits. The head office's address is 437 Grande Allée Est, Québec (Quebec), G1R 2J5, Canada.

Going concern

These condensed interim consolidated financial statements attached have been prepared using International Financial Reporting Standards («IFRS») published by the International Accounting Standards Board («IASB») based on the going concern assumption, which contemplates the realization of assets and the settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These condensed interim consolidated financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

If the Company's operations were to be interrupted due to COVID-19 (note 4), it could have difficulty ensuring a continuous supply from its mine and making sales. As at March 31, 2020, the Company had accumulated a deficit of \$2,798,245 and had working capital of \$12,676,586, of which \$25,261,800 was in cash, from which a dividend in the amount of \$11,605,191 was paid in April 2020. Should the mine cease operations, the Company may not have sufficient working capital and liquidity to continue operations for a minimum period of twelve months.

Although the Company has taken significant measures to ensure the safety of its mine and to continue as a going concern, there can be no assurance that the Company will not be obliged to cease operations. The continuing operations of the Company will also depend on its ability to continue to raise the necessary debt financing. While management has successfully obtained financing in the past, there can be no assurance that such sources of financing will be available on terms acceptable to the Company in the future.

Also, although the Company has taken steps to verify the title to mining properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and may not be in compliance with regulatory requirements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

2 - BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's annual financial statements for the year ended December 31, 2019. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements have been prepared in accordance with IFRS and were approved by the Board of Directors for issue on May 28, 2020.

3 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described in our annual audited consolidated financial statements for the period ended December 31, 2019.

4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company has had to adjust some of its operating procedures to respond to the global COVID-19 crisis and, to date, its operations have not been significantly impacted. Should the severity of the COVID-19 outbreak increase or global containment continue, it is possible there could be negative impacts on the Company's workforce, supply chain or overall operations. As of the date of publication of these condensed interim consolidated financial statements, it is not possible to reliably estimate either the length or the severity of these developments and their impact on the Company's financial results, financial situation and cash flows.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

5 - SEGMENTED INFORMATION

The Company conducts its operating and exploration activities in Mali. The operational sectors presented reflect the Company's management structure and how the Company's principal operational decision-maker assesses business performance. The Company evaluates the performance of its operating sectors primarily based on operating income (loss), as shown in the following tables.

	Quarter ended March 31, 2020			
	Operations (Nampala, Mali)	Explorations (Mali)	Corporate management	Total \$
REVENUE - GOLD SALES	30,863,771	---	---	30,863,771
Mining operation expenses - note 6	7,435,566	---	---	7,435,566
Mining royalties - note 6	770,317	---	---	770,317
Administrative expenses - note 7	1,649,893	2,574	1,366,126	3,018,593
Depreciation of property, plant and equipment and amortization of intangible assets	7,387,121	---	15,985	7,403,106
OPERATING INCOME (LOSS)	13,620,874	(2,574)	(1,382,111)	12,236,189
TOTAL ASSETS AS AT MARCH 31, 2020	90,288,173	7,983,703	16,958,828	115,230,705

	Quarter ended March 31, 2019			
	Operations (Nampala, Mali)	Explorations (Mali)	Corporate management	Total \$
REVENUE - GOLD SALES	18,869,767	---	---	18,869,767
Mining operation expenses - note 6	7,131,171	---	---	7,131,171
Mining royalties - note 6	588,145	---	---	588,145
Administrative expenses - note 7	1,772,823	2,717	1,053,043	2,828,583
Depreciation of property, plant and equipment and amortization of intangible assets	8,363,361	---	1,153	8,364,514
OPERATING INCOME (LOSS)	1,014,267	(2,717)	(1,054,196)	(42,646)
TOTAL ASSETS AS AT DECEMBER 31, 2019	84,390,490	7,396,252	5,920,580	97,707,322

The Company's proceeds come from one client. The Company does not economically depend on a limited number of buyers for the sale of gold, as gold can be sold through many commodity traders around the world.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

6 - MINING OPERATION EXPENSES

	First quarters ended March 31,	
	2020	2019
	\$	\$
Operating and maintenance supplies and service	5,367,598	4,182,989
Fuel	3,074,719	2,537,902
Reagents	1,531,766	1,498,986
Employee benefit expenses	1,139,278	839,004
Inventory change	(631,566)	(418,772)
Less: Production expenses capitalized as stripping cost	(3,254,464)	(1,653,071)
Delivery costs	208,235	144,133
Total production costs	7,435,566	7,131,171
Mining royalties	770,317	588,145
	8,205,883	7,719,316

7 - ADMINISTRATIVE EXPENSES

	First quarters ended March 31,	
	2020	2019
	\$	\$
Operations and explorations	1,652,467	1,775,540
Corporation management	1,366,126	1,053,043
	3,018,593	2,828,583

Salary related amounts of \$337,898 and \$101,314, respectively, are included in the «Operations and explorations» item and in the «Corporate management» item for the quarter ended March 31, 2020 (\$267,512 and \$69,512, respectively, for the quarter ended March 31, 2019).

8 - FINANCIAL EXPENSES

	First quarters ended March 31,	
	2020	2019
	\$	\$
Interest on non-convertible debentures	---	287,014
Interest on long-term debt	227,287	410,227
Effective interest on long-term debt	21,910	29,580
Interest on lines of credit	3,119	10,581
Interest on lease obligations	3,701	1,628
Bank charges	49,549	46,589
Change in environmental liabilities	20,755	12,503
	326,321	798,122

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

9 - INVENTORIES

	As at March 31, 2020	As at December 31, 2019
	\$	\$
Gold in production	3,613,598	2,878,934
Supplies and spare parts	6,625,469	6,942,126
Stacked ore	360,105	217,731
Silver (metals)	28,338	16,347
	10,627,510	10,055,138

10 - ACCOUNTS RECEIVABLE

	As at March 31, 2020	As at December 31, 2019
	\$	\$
Taxes receivable	2,258,388	1,697,306
Other receivables	18,317	18,360
	2,276,705	1,715,666

11 - MINING PROPERTIES

	Mininko	Diangounte	Sanoula	Kamasso	Total
Undivided interest	100%	100%	100%	100%	
<u>Mining rights and titles</u>					\$
Balance as at December 31, 2019	137,423	47,920	224,842	22,372	432,557
Exchange rate changes	9,431	3,289	15,433	1,536	29,689
Balance as at March 31, 2020	146,854	51,209	240,275	23,908	462,246

Exploration costs

Balance as at December 31, 2019	4,651,388	22,645	1,233,932	770,860	6,678,825
Expenses incurred	49,674	25,990	24,666	24,666	124,996
Amortization	1,773	2,541	885	885	6,084
Exchange rate changes	321,956	3,040	86,030	54,244	465,270
Balance as at March 31, 2020	5,024,791	54,216	1,345,513	850,655	7,275,175

Total as at December 31, 2019	4,788,811	70,565	1,458,774	793,232	7,111,382
Total as at March 31, 2020	5,171,645	105,425	1,585,788	874,563	7,737,421

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

12 - PROPERTY, PLANT AND EQUIPMENT

	Mining development costs	Buildings and office development	Equipment related to mining explorations	Tools, equipment and vehicles	Exploration equipment	Total
Cost						\$
Balance as at December 31, 2019	16,500,008	8,922,809	91,853,888	2,845,123	712,293	120,834,121
Acquisition costs	447,501	310,852	4,797,670	421,593	---	5,977,616
Exchange rate changes	1,132,571	612,465	6,304,906	195,291	48,892	8,294,125
Balance as at March 31, 2020	18,080,080	9,846,126	102,956,464	3,462,007	761,185	135,105,862
Accumulated depreciation						
Balance as at December 31, 2019	5,964,468	3,496,894	45,752,689	1,351,948	635,646	57,201,645
Depreciation for the period	1,033,909	370,049	6,097,899	136,940	4,429	7,643,226
Exchange rate changes	396,147	240,128	3,151,555	93,189	43,845	3,924,864
Balance as at March 31, 2020	7,394,524	4,107,071	55,002,143	1,582,077	683,920	68,769,735
Net amounts:						
As at December 31, 2019	10,535,540	5,425,915	46,101,199	1,493,175	76,647	63,632,476
As at March 31, 2020	10,685,556	5,739,055	47,954,321	1,879,930	77,265	66,336,127
Not depreciated						
as at March 31, 2020 ⁽¹⁾	614,120	541,452	3,988,128	---	---	5,143,700

⁽¹⁾ Property, plant and equipment with a book value of \$5,143,700 are not depreciated because they are either under development or construction, or not installed as at March 31, 2020 (\$4,504,631 as at December 31, 2019).

13 - ACCOUNTS PAYABLE

	As at March 31, 2020	As at December 31, 2019
	\$	\$
Suppliers	7,357,814	6,893,886
Accrued interest	73,668	88,410
Due to the state	654,023	615,541
Accounts payables to a shareholder-owned company	1,285,680	874,981
Other payables	840,735	754,061
	10,211,920	9,226,879

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

14 - LONG-TERM DEBT AND LINE OF CREDIT

Bank loan in the amount of \$7,239,033 (3,000,000,000 CFA francs), annual interest of 7.75%, secured by a first mortgage on land on the operating permit for gold and minerals in the region of Nampala. This loan is repayable in monthly instalments of \$174,893 (73,615,402 CFA francs) including capital and interest, until April 2020 inclusively.

Bank loan in the amount of \$4,403,996 (2,000,000,000 CFA francs), annual interest of 7.75%, secured by a first mortgage on land on the operating permit for gold and minerals in the region of Nampala. This loan is repayable in monthly instalments of \$116,242 (48,928,202 CFA francs) including capital and interest, until October 2020 inclusively.

Bank loan in the amount of \$4,603,143 (1,997,000,000 CFA francs), annual interest of 7.75%, secured by a pledge of \$5,762,573 (2,500,000,000 CFA francs) on equipment and material located at the Nampala mine. This loan is repayable in monthly instalments of \$157,673 (66,367,288 CFA francs) including capital and interest, until November 2020 inclusively.

Bank loan in the amount of \$11,549,531 (5,000,000,000 CFA francs), annual interest of 7%, secured by a first mortgage on land on the operating permit for gold and minerals in the region of Nampala. This loan is repayable in monthly instalments of \$284,580 (119,784,353 CFA francs) including capital and interest, until August 2022 inclusively.⁽¹⁾

Bank loan in the amount of \$3,451,370 (1,500,000,000 CFA francs), annual interest of 7%, secured by a third mortgage on land on the operating permit for gold and minerals in the region of Nampala. This loan is repayable in quarterly instalments of \$296,971 (125,000,000 CFA francs) plus interest, until October 2021 inclusively.⁽¹⁾

Loan entirely repaid during the period

Less: Capitalized financing fees in the amount of \$291,011 (122,263,500 CFA francs)

Less: Current portion of long-term debt

	As at March 31, 2020 \$	As at December 31, 2019 \$
	173,771	644,202
	793,074	1,050,095
	1,169,605	1,488,108
	7,572,257	7,752,979
	2,078,795	2,223,166
	---	228,017
	11,787,502	13,386,567
	(112,032)	(126,407)
	11,675,470	13,260,160
	(6,232,047)	(7,186,918)
	5,443,423	6,073,242

⁽¹⁾ Under these obligations, the Company is committed to complying annually with certain conditions and financial ratios.

Line of credit

Authorized line of credit from a Malian bank for a maximum amount of \$1,102,512 (500,000,000 CFA francs), bearing interest at an annual rate of 8%, with a renegotiation date of July 31, 2020.

	As at March 31, 2020 \$	As at December 31, 2019 \$
	27,744	---

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

15 - ENVIRONMENTAL LIABILITIES

	\$
Balance as at December 31, 2019	736,272
Accretion expense of the period	20,755
Impact of exchange rate changes	50,538
Balance as at March 31, 2020	807,565

The Company's activities are subject to various laws and regulations regarding environmental restoration and closure provisions, for which the Company estimates future costs. These provisions may be revised on the basis of amendments to such laws and regulations and the availability of new information, such as changes in reserves corresponding to a change in the mine life and discount rates, changes in estimated costs of reclamation activities and acquisition or construction of a new mine. The Company makes a provision based on a best estimate of the future cost of rehabilitating mine sites and related production facilities on a discounted basis.

16 - LEASE OBLIGATIONS

Right-of-use assets are included in property, plant and equipment, as described below :

	Buildings and office development	Tools, equipment and vehicles	Total \$
Balance as at December 31, 2019	206,056	107,763	313,819
Additions of right-of-use assets	---	346,190	346,190
Depreciation of the period	(18,174)	(44,327)	(62,501)
Effect in exchange rate changes	13,357	7,397	20,754
Balance as at March 31, 2020	201,239	417,023	618,262

Liabilities related to lease obligations are presented as follows:

	\$
Balance as at December 31, 2019	329,451
Additions of right-of-use assets	346,190
Depreciation of the period	(62,388)
Effect in exchange rate changes	10,377
Balance as at March 31, 2020	623,630
Less : Current portion of lease obligations	(325,212)
	298,418

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

17 - ACCUMULATED OTHER COMPREHENSIVE INCOME

	As at March 31, 2020 (3 months) \$	As at december 31, 2019 (12 months) \$
Exchange difference		
Balance at the beginning of the period	1,723,032	6,041,257
Exchange difference changes during the period	6,219,231	(4,318,225)
Balance at the end of the period	7,942,263	1,723,032
Attributable to		
Common shareholders	7,958,694	1,778,494
Non-controlling interest	(16,431)	(55,462)
	7,942,263	1,723,032

18 - ADDITIONAL INFORMATION ON THE INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	2020 \$	Firsts quarters ended March 31, 2019 \$
<i>a) Net changes in non-cash working capital items</i>		
Decrease (increase) in current assets		
Accounts receivable	(369,604)	(4,923,876)
Inventories	117,819	(1,258,163)
Prepaid expenses	(139,774)	(139,114)
Deposits paid	(794,829)	(53,016)
	(1,186,388)	(6,374,169)
Increase in current liabilities		
Accounts payable	443,707	392,941
	(742,681)	(5,981,228)
<i>b) Items not affecting cash related to investing activities</i>		
Change in accounts payable related to property, plant and equipment	25,905	8,353

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

19 - EARNINGS PER SHARE

	First quarters ended March 31,	
	2020	2019
	\$	\$
Net earnings and diluted attributable to common shareholders	9,666,234	825,022
Basic weighted average number of shares outstanding	580,259,566	579,509,566
Stock options ⁽¹⁾	8,896,058	---
Diluted weighted average number of shares outstanding ⁽¹⁾	589,155,624	579,509,566
Basic net earnings per share	0.017	0.001
Diluted net earnings per share	0.016	0.001

⁽¹⁾ The calculation of the hypothetical conversions excludes options whose effect is anti-dilutive. Some stock options are anti-dilutive either because their price is higher than the average price of the Company's common shares for each of the periods presented or because the impact of the conversion of these elements on net income would result in diluted earnings per share exceeding the basic earnings per share for each of these periods. For the quarter ended March 31, 2020, no stock option is excluded in the diluted net earnings per share calculation (14,050,000 stock options for the quarter ended March 31, 2019).

20 - CONTINGENCY

Environmental protection

The Company's activities are subject to governmental laws concerning the protection of the environment. The environmental consequences are difficult to identify, whether it is at the level of the results, of the term or of its impact. To the best knowledge of management, the Company is operating in compliance with the laws and regulations currently in effect. Costs resulting from the restructuring of sites are recorded in the results or included in the cost of the fixed assets concerned in the period in which it will be possible to make a reasonable estimate.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

21 - FINANCIAL INSTRUMENTS

Measurement categories

Financial assets and financial liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the consolidated statement of income or in the consolidated statement of comprehensive income (loss). These categories are: assets and liabilities at FVTPL and financial assets and liabilities at amortized cost. The following table shows the carrying amounts of assets and liabilities for each of these categories:

	As at March 31, 2020 \$	As at december 31, 2019 \$
Financial assets at amortized cost		
Cash	25,261,800	13,599,000
Accounts receivable	18,317	18,360
Deposits paid	2,575,114	1,330,412
	27,855,231	14,947,772
Financial liabilities at amortized cost		
Accounts payable	9,557,896	8,611,338
Dividend payable	11,605,191	---
Line of credit	27,744	---
Long-term debt	11,675,470	13,260,160
Lease obligations	623,630	329,451
	33,489,931	22,200,949

Financial risk factors

a) Market risk

Fair value

The carrying amounts of financial assets at amortized cost approximate their fair value due to their short-term maturity and the prevailing interest rates of these instruments, which are comparable to those of the market.

The Company considers that the carrying amount of all its financial liabilities at amortized cost in its condensed interim consolidated financial statements approximates their fair value. Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities. The fair value of long-term debt has not been determined due to the related specific conditions negotiated between the Company and the third parties concerned.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are in Canadian dollars unless otherwise indicated - unaudited)

21 FINANCIAL INSTRUMENTS - (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The following table shows the contractual maturities of financial liabilities as at March 31, 2020:

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	9,557,897	9,557,897	---	---
Dividend payable	11,605,191	11,605,191	---	---
Long-term debt ⁽¹⁾	11,675,470	6,953,806	5,759,946	---
Line of credit	27,744	27,744	---	---
Lease obligations ⁽¹⁾	623,630	354,527	306,288	3,671
	33,489,932	28,499,165	6,066,234	3,671

The following table shows the contractual maturities of financial liabilities as at December 31, 2019:

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	8,611,338	8,611,338	---	---
Long-term debt ⁽¹⁾	13,260,160	8,009,480	6,486,224	---
Lease obligations ⁽¹⁾	329,451	160,593	183,792	67,564
	22,200,949	16,781,411	6,670,016	67,564

⁽¹⁾ Future maturities relating to these liabilities exceed their carrying amount because they include both capital and interest payments.

22 - RELATED PARTY TRANSACTIONS

Results for the quarter ended March 31, 2020 include expenses of \$1,044,097 that were incurred with the directors and officers of companies controlled by them (\$1,001,312 for the quarter ended March 31, 2019). These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established by the related parties.

23 - SUBSEQUENT EVENT

On April 6, 2020, the Company issued 492,300 shares following the exercise of stock options for a cash consideration of \$60,000.