

The Delma Group Inc.
Interim Condensed Consolidated
Financial Statements
March 31, 2019
(Expressed in Canadian dollars)

Notice to Reader

The accompanying unaudited Interim Condensed Consolidated Financial Statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited Interim Condensed Consolidated Financial Statements.

The Delma Group Inc.

Interim Condensed Consolidated Statements of Financial Position

As at March 31, 2019 and December 31, 2018

(Expressed in Canadian dollars)

| | Notes | March 31, 2019 (unaudited) \$ | December 31, 2018 (audited) \$ |
|---|-------|--|---|
| ASSETS | | | |
| Current | | | |
| Cash | | 571,500 | 131,159 |
| Receivables | | 73,373 | 123,569 |
| Assets held for sale | | 4,015,000 | 4,064,331 |
| Prepays and refundable deposits | | 1,690,400 | 862,028 |
| Advances to companies under common control, without interest | | 795,753 | 788,240 |
| Other advances receivable, without interest | | 430,425 | 280,762 |
| | | <u>7,576,451</u> | <u>6,250,089</u> |
| Non-current | | | |
| Investment properties | 4 | 89,333,113 | 88,541,212 |
| Land held for residential development | | 12,384,594 | 12,190,522 |
| Investment in a private company | | 250,000 | 250,000 |
| Property and equipment | | 81,154 | 81,154 |
| Trademarks and domain names | | 1,230,009 | 1,342,509 |
| | | <u>110,855,321</u> | <u>108,655,486</u> |
| Total assets | | | |
| LIABILITIES | | | |
| Current | | | |
| Bank loan | | 3,940,030 | 3,895,000 |
| Trade and other payables | | 10,713,895 | 9,992,640 |
| Other current liabilities | 5 | 28,399,379 | 28,664,393 |
| Current portion of long-term debt | 6 | 21,800,139 | 20,544,063 |
| | | <u>64,853,443</u> | <u>63,096,096</u> |
| Non-current | | | |
| Long-term debt | 6 | 7,836,333 | 6,991,047 |
| Deferred income taxes liabilities | | 375,000 | 375,000 |
| | | <u>73,064,776</u> | <u>70,462,143</u> |
| Total liabilities | | | |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 7 | 58,151,214 | 57,309,522 |
| Deficit | | (20,360,669) | (19,116,179) |
| | | <u>37,790,545</u> | <u>38,193,343</u> |
| Total shareholders' equity | | | |
| Total liabilities and shareholders' equity | | | |
| | | <u>110,855,321</u> | <u>108,655,486</u> |

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

The Delma Group Inc.

Interim Condensed Consolidated Statements of Comprehensive Loss

Three-month periods ended March 31, 2019 and 2018

(Expressed in Canadian dollars except for number of shares)

(Unaudited)

| | 2019 | 2018 |
|--|--------------------|-------------|
| | \$ | \$ |
| Revenue | 698,714 | 35,000 |
| Operating expenses | 730,510 | 35,000 |
| | (31,796) | |
| Administrative expenses | 388,650 | |
| Financing costs | 655,576 | |
| Amortization of trade marks and domain names | 112,500 | 112,000 |
| Depreciation of property and equipment | | 4,500 |
| Loss on the sale of Assets held for sale | 182,132 | |
| Gain on settlement of some accounts payable | (126,163) | |
| Listing fees | | 1,439,587 |
| Loss before income taxes | (1,244,490) | (1,521,087) |
| Income taxes | - | 375,000 |
| Net loss and comprehensive loss | (1,244,490) | (1,896,087) |
| Basic and diluted net loss per share | (0.09) | (0.35) |
| Weighted average number of shares | 13,536,938 | 5,427,038 |

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

The Delma Group Inc.
Interim Condensed Consolidated Statements of Shareholder's Equity

Three-month periods ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

(Unaudited)

SHAREHOLDERS' EQUITY

| | Share Capital | | Deficit | Non-controlling interests | Total Equity |
|---|---------------------|-------------------|---------------------|------------------------------|-------------------|
| | Number of shares | | | | |
| | | \$ | \$ | \$ | \$ |
| Balance on January 1, 2018 | 134,599 | 14,298,608 | – | 2,641,057 | 16,939,665 |
| Reverse takeover | 5,474,318 | 452,038 | – | | 452,038 |
| Purchase of Non-controlling interests | 232,851 | 2,641,057 | | (2,641,057) | – |
| Acquisition of Bromont Group | 4,083,334 | 23,990,424 | – | | 23,990,424 |
| Transactions with owners | 9,925,102 | 41,382,127 | – | – | 41,382,127 |
| Net loss and comprehensive loss | | – | (1,896,087) | | (1,896,087) |
| Balance on March 31, 2018 | <u>9,925,102</u> | <u>41,382,127</u> | <u>(1,896,087)</u> | <u>–</u> | <u>39,486,040</u> |
| Balance on January 1, 2019 | 13,335,992 | 57,309,522 | (19,116,179) | | 38,193,343 |
| Issuance of shares to settle some accounts payable | 304,939 | 841,692 | | | 841,692 |
| Net loss and comprehensive loss | | – | (1,244,490) | | (1,244,490) |
| Balance on March 31, 2019 | <u>13,640,931</u> | <u>58,151,214</u> | <u>(20,360,669)</u> | <u>–</u> | <u>37,790,545</u> |

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

The Delma Group Inc.

Interim Condensed Consolidated Statements of Cash Flows

Three-month periods ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

(Unaudited)

| | Notes | 2019 \$ | 2018 \$ |
|---|-------|--------------------|-----------------|
| OPERATING ACTIVITIES | | | |
| Net loss | | (1,244,490) | (1,896,087) |
| Adjustments | | | |
| Listing fees | | | 1,439,587 |
| Depreciation of property and equipment | | | 4,500 |
| Amortization of trademarks and domain names | | 112,500 | 112,000 |
| Loss on the sale of Assets held for sale | | 182,132 | |
| Gain on settlement of accounts payable | | (126,163) | |
| Deferred Income taxes | | | 375,000 |
| | | <u>(1,076,022)</u> | <u>35,000</u> |
| Change in working capital items | 9 | <u>778,134</u> | |
| Cash flows from operating activities | | <u>(297,888)</u> | <u>35,000</u> |
| INVESTING ACTIVITIES | | | |
| Advances to companies under common control | | (7,513) | (35,000) |
| Other advances receivable | | (149,663) | |
| Cash acquired from acquisitions | | | 17,613 |
| Investment properties | | (791,901) | |
| Land held for residential development | | (194,072) | |
| Cash flows from investing activities | | <u>(1,143,149)</u> | <u>(17,387)</u> |
| FINANCING ACTIVITIES | | | |
| Bank loan | | 45,030 | |
| Other current liabilities | | 86,989 | |
| Repayment of other current liabilities | | (352,003) | |
| Long-term debt | | 2,205,236 | |
| Repayment of long-term debt | | (103,874) | |
| Cash flows from financing activities | | <u>1,881,378</u> | <u>—</u> |
| Net change in cash | | 440,341 | 17,613 |
| Cash, beginning of period | | <u>131,159</u> | <u>3,028</u> |
| Cash, end of period | | <u>571,500</u> | <u>20,641</u> |

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

The Delma Group Inc.

Notes to the Interim Condensed Consolidated Financial Statements

As at March 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

1. Nature of operations

The Delma Group Inc. together with its subsidiaries (together referred to as "Delma" or the "Company") operates in the development, acquisition and management of multi-purpose real estate, including office space, retail space, residential and industrial buildings as well as land for future development.

The Delma Group Inc. was incorporated on April 7, 2014 under the laws of the province of British Columbia. The Company is listed a listing on the Canadian Stock Exchange ("CSE") under the symbol "DLMA".

The principal address and records office of the Company is located at 160-640 Orly Avenue, Dorval, Qc, H9P 1E9.

2. Going concern

These interim condensed consolidated financial statements have been prepared on the assumption that the Company is a going concern, meaning it will be able to continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

As at March 31, 2019, the Company has not yet generated positive cash flows from its operations and has a negative working capital of \$57,276,992. The Company's ability to continue as a going concern is dependent upon its ability to raise sufficient equity financings, refinance its long-term debt and other current liabilities, issue new debt or secure related party advances to complete the identification, acquisition and development of suitable properties in accordance with its business plan and ultimately achieving profitable operations. These factors indicate the existence of a material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern.

Starting in the period ended March 31, 2019, the Company entered into active negotiations to obtain financings to be used for short-term and long-term needs. Such negotiations were ongoing at the time these interim condensed consolidated financial statements were approved.

These interim condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company's going concern assumption not be appropriate. While management has been successful in obtaining sufficient funding for its operating and capital requirements in the past, there is no assurance that additional funding will be available to the Company, when required, or on terms which are acceptable to management including any financing currently being negotiated.

The Delma Group Inc.

Notes to the Interim Condensed Consolidated Financial Statements

As at March 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

3. Basis of presentation and significant accounting policies

The unaudited interim condensed consolidated financial statements present the Company's consolidated balance sheet as at March 31, 2019 as well as its consolidated statements of comprehensive loss, cash flow and changes in shareholder's equity for the three-month periods ended March 31, 2019 and 2018.

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting and are expressed in Canadian dollars. Accordingly, certain information and footnot disclosures normally included in annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), have been omitted or condensed.

These interim condensed consolidated financial statements use the same accounting policies and methods of computation as compared with the Company's most recent annual audited consolidated financial statements except for the new and adopted standards described below.

The interim condensed consolidated financial statements for the quarter ended March 31, 2019 have not been reviewed by the independent auditors of the Company.

These interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on July 11, 2019.

Adoption of new standards as at January 1, 2019

IFRS 16 - Leases

On January 1, 2019, The Company adopted IFRS 16 which replaces IAS 17 Leases. IFRS 16 requires that lessors recognise assets and liabilities for all leases on the statement of financial position, unless the lease term is 12 months or less or the lease for which the underlying asset is of low value. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company determined that the application of this new standard did not have a significant impact on the consolidated financial statements.

The Delma Group Inc.

Notes to the Interim Condensed Consolidated Financial Statements

As at March 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

4. Investment Properties

A reconciliation of the investment properties is as follows:

| | 2019-03-31 | 2018-12-31 |
|----------------------------------|--------------------------|-------------------|
| | (3 months) | (12 months) |
| | <u>\$</u> | <u>\$</u> |
| Balance, beginning of period | 88,541,212 | 14,910,200 |
| Acquisition of the Bromont Group | | 32,043,474 |
| Other acquisitions | 7,090 | |
| Borrowing costs | 576,139 | |
| Development costs | 208,672 | |
| Balance end of period | <u>89,333,113</u> | <u>46,953,674</u> |

The investment properties are composed of the following:

| | 2019-03-31 | 2018-12-31 |
|--|--------------------------|-------------------|
| | <u>\$</u> | <u>\$</u> |
| Investment properties at fair value | | |
| Lands in Bromont, Bromont, Quebec, Canada | 32,984,898 | 32,693,789 |
| 9700 St-Laurent Blvd, Montreal, Quebec, Canada | 1,400,000 | 1,400,000 |
| 475-489 Le Breton and 505-531 Le Breton, Longueuil, QC, Canada | 2,864,999 | 2,864,999 |
| 1221-1225 St-Jean-Baptiste Blvd., Montreal, Quebec, Canada | 1,800,000 | 1,800,000 |
| 185 Dorval Avenue, Montreal, Quebec, Canada | 10,554,847 | 10,538,649 |
| 9920-9924 St-Laurent, Montreal, Quebec, Canada | 767,668 | 767,668 |
| 610-640 Orly, Montreal, Quebec, Canada | 5,260,000 | 5,260,000 |
| 1124 Place Verner, Laval, Quebec, Canada | 600,000 | 600,000 |
| 860 Cite-des-Jeunes, St-Lazare, Quebec, Canada | 1,183,137 | 1,167,491 |
| 2001 Chemin Oka, Deux-Montagnes, Quebec, Canada | 904,599 | 902,874 |
| Land in Levis, Levis, Quebec, Canada | 10,417,223 | 10,264,624 |
| 472-474 Knowlton, Lac Brome, Quebec, Canada | 2,915,516 | 2,898,577 |
| 117 Lépine, Gatineau, Quebec, Canada | 7,079,528 | 7,079,528 |
| 121 Lépine, Gatineau, Quebec, Canada | 4,856,638 | 4,570,000 |
| 2055 Desjardins Av., Montreal, Quebec, Canada | 4,098,879 | 4,098,879 |
| Land in Blainville, Blainville, Quebec, Canada | 1,645,181 | 1,634,134 |
| | <u>89,333,113</u> | <u>88,541,212</u> |

The Delma Group Inc.

Notes to the Interim Condensed Consolidated Financial Statements

As at March 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

5. Other current liabilities

| | <u>2019-03-31</u> | <u>2018-12-31</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| Loan payable, 12% | 411,011 | 411,011 |
| Loan payable, 22% | 145,724 | 145,724 |
| Liabilities of assets held for sale, 8% | | 28,600 |
| Advances, without interest, 9% | 7,141,964 | 7,138,975 |
| Loan, 15%, secured by Lands in Bromont and Land held for residential development | 11,000,000 | 11,000,000 |
| Advances from a company controlled by a director, without interest, secured by a define relationship | 978,633 | 980,164 |
| Loans from a company controlled by a director, 12%-15%, secured by a define relationship | 90,000 | 408,000 |
| Loan, 11.55%, secured by Land in Blainville and a guarantee from a director | 743,386 | 743,386 |
| Loans, 12%, secured by Land in Levis | 250,000 | 250,000 |
| Loans, 8% and 10%, secured by 2001 chemin Oka | 725,000 | 725,000 |
| Loan, 13.8%, secured by 121 Lepine | 500,000 | 500,000 |
| Loan, 12%, secured by a third party | 400,000 | 400,000 |
| Loan, 25% | 200,000 | 200,000 |
| Bank loan, 5.67%, \$3,976 monthly, maturing in November 2019 (a) | 564,037 | 567,909 |
| Loan, 11%, secured by 117 Lepine and a guarantee from a director | 3,880,000 | 3,800,000 |
| Loan, 12%, payable in April 2019 (b) | 1,300,000 | 1,300,000 |
| Other | 69,624 | 65,624 |
| | <u>28,399,379</u> | <u>28,664,393</u> |

Except if noted, all loans, advances and bank loans are payable on demand.

- (a) The bank loan is secured by 9920-9924 St-Laurent and a guarantee from a third party
- (b) The loan is secured by 9700 St-Laurent Blvd, 475-489 Le Breton, 505-531 Le Breton, 1221-1225 St-Jean-Baptiste Blvd. and a guarantee from a company controlled by a director.

The Delma Group Inc.

Notes to the Interim Condensed Consolidated Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

6. Long-Term Debt

| | <u>2019-03-31</u> | <u>2018-12-31</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| Convertible debentures and \$134,457 interest payable, 10%, secured by all present and future residential property of the Company, expired in March 2019 (a) | 670,457 | 670,457 |
| Term loan, 10%, matured, payable on demand and secured by Blueberry Lake Resort | 293,000 | 293,000 |
| Term loan, 13%, matured, payable on demand and secured by Blueberry Lake Club House, which is a part of Blueberry Lake Resort, with a carrying amount of \$nil. | 130,000 | 130,000 |
| Term loan, 8% and 9%, monthly late fees of \$15,000, matured and payable on demand, secured by a guarantee from a director | 3,249,791 | 3,249,791 |
| Term loan, 5%, secured by 860 Cité des jeunes, matured and payable on demand | 400,000 | 400,000 |
| Term loan, 8%, payable in January 2019, secured by 860 Cité des jeunes | 350,000 | 350,000 |
| Term loan, 12%, secured by Land in Levis, matured and payable on demand | 3,500,000 | 3,500,000 |
| Term loans, 4.54% and 12.5%, secured by 600-650 Orly Avenue and a guarantee from a third party, matured and payable on demand | 3,893,020 | 3,837,784 |
| Loan, without interest, maturing in April 2019, \$100,000 increase in capital if unpaid at maturity, secured by land on the Blueberry Lake Resort | 490,000 | 490,000 |
| Loan, prime rate plus 1% (4.95%), payable on demand, secured by 185 Dorval. Under the credit agreement the Company must respect financial covenants which are not respected as at December 31, 2018. | 4,777,500 | 4,777,500 |
| Term loan, 3.85%, capital and interest payable in monthly payments of \$17,094, maturing in November 2022, secured by a hypothec on 121 Lépine avenue and a guarantee from a director | 3,192,070 | 3,212,728 |
| Term loan, prime rate plus 1.1% (4.18%), capital and interest payable in monthly payments of \$12,138, maturing in October 2023, | | |

The Delma Group Inc.

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(Expressed in Canadian dollars)

(Unaudited)

| | | |
|---|-------------------|------------|
| secured by a hypothec on 2055 Desjardins avenue and a guarantee from a director | 2,482,314 | 2,492,962 |
| Term loan, 3.02%, capital and interest payable in monthly payments of \$5,928, maturing in September 2021, secured by a hypothec on 1221-1225 St-Jean-Baptiste and a guarantee from a third party | 1,162,813 | 1,171,829 |
| Term loan, 46.9%, capital and interest payable weekly payments of \$6,132, maturing October 2020, secured by a guarantee from a director | 351,406 | 387,606 |
| Bank loan, 3.42%, capital and interest payable in monthly payments of \$9,406, secured by a hypothec on 475-489 Le Breton and 505-531 Le Breton and a guarantee from two third parties, matured and payable on demand | 1,729,725 | 1,743,183 |
| Term loan, 3.34%, secured by 1124 Place Verner, matured and payable on demand | 272,790 | 275,078 |
| Term loan, 4.98%, capital and interest payable in monthly payments of \$5,247, secured by a hypothec on 9700 St-Laurent Blvd, matured and payable on demand | 541,586 | 553,192 |
| Term loan, 12.5%, secured by a second rank hypothec on 185, Dorval, payable in April 2020 | 1,150,000 | |
| Term loan, 8%, secured by a second rank hypothec on 600-650 Orly Avenue, payable in March 2020 | 1,000,000 | |
| | 29,636,472 | 27,535,110 |
| Current portion | 21,800,139 | 20,544,063 |
| | 7,836,333 | 6,991,047 |

- (a) In January, 2019, the Company modified the terms the convertibles debenture to extend their maturity date to March 31, 2019 and change the conversion price to the lesser of i) \$3,49; ii) Adjusted net value based on the net assets of the latest quarterly statements. These changes did not have significant impact on the interim consolidated financial statements.

The Delma Group Inc.

Notes to the Interim Condensed Consolidated Financial Statements

As at March 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

7. Share capital

The Company authorized share capital is as follows :

Unlimited number of shares

Class "A" common shares, conferring 1 vote per share

Class "B" common shares, conferring 100 votes per share, automatically converted into Class "A" Common shares on January 19, 2023 on a basis of 1 Class "A" common share for 1 Class "B" Common share.

| | Period ended March 31, 2019 | | Period ended March 31, 2018 | |
|-------------------------|-----------------------------|-------------------|-----------------------------|-------------------|
| | Number | \$ | Number | \$ |
| Class "A" common shares | 9,130,040 | 51,997,928 | 5,414,211 | 35,228,841 |
| Class "B" common shares | 4,510,891 | 6,153,286 | 4,510,891 | 6,153,286 |
| | <u>13,640,931</u> | <u>58,151,214</u> | <u>9,925,102</u> | <u>41,382,127</u> |

8. Related Party Transactions

Related parties include the Company's key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following:

| | <u>2019-03-31</u> | <u>2018-03-31</u> |
|-----------------|-------------------|-------------------|
| | \$ | \$ |
| Management fees | <u>118,750</u> | |

9. Additional information - Cash flow

The changes in working capital items are detailed as follows:

| | <u>2019-03-31</u> | <u>2018-03-31</u> |
|---|-------------------|-------------------|
| | \$ | \$ |
| Receivables | 50,196 | |
| Prepays and refundable deposits | (828,372) | |
| Trade and other payables | <u>1,556,309</u> | |
| | <u>778,134</u> | |
| Interest paid | 429,877 | |
| Additions to investment properties included in trade and other payables | 697,855 | |
| Additions to land held for residential development included in trade and other payables | 194,072 | |

The Delma Group Inc.

Notes to the Interim Condensed Consolidated Financial Statements

As at March 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

10. Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and financial liabilities in each category are as follows:

| | March 31, 2019 | | December 31, 2018 | |
|---|--------------------------|-------------------|--------------------------|-------------------|
| | Carrying amount \$ | Fair value \$ | Carrying amount \$ | Fair value \$ |
| Financial assets | | | | |
| Financial assets at amortized cost | | | | |
| Cash | 571,500 | 571,500 | 131,159 | 131,159 |
| Receivables | 73,373 | 73,373 | 123,569 | 123,569 |
| Advances to companies under common control | 795,753 | 795,753 | 788,240 | 788,240 |
| Other advances receivable | 430,425 | 430,425 | 280,762 | 280,762 |
| | <u>1,871,051</u> | <u>1,871,051</u> | <u>1,323,730</u> | <u>1,323,730</u> |
| Financial assets at FVTPL | | | | |
| Investment in a private company | 250,000 | 250,000 | 250,000 | 250,000 |
| Total financial assets | <u>2,121,051</u> | <u>2,121,051</u> | <u>1,573,730</u> | <u>1,573,730</u> |
| Financial liabilities | | | | |
| Financial liabilities at amortized cost | | | | |
| Bank loan | 3,940,030 | 3,940,030 | 3,895,000 | 3,895,000 |
| Trade and other payables | 10,713,895 | 10,713,895 | 9,992,640 | 9,992,640 |
| Other current liabilities | 28,399,379 | 28,399,379 | 28,664,393 | 28,664,393 |
| Long term debt | 29,636,472 | 29,636,472 | 27,535,110 | 27,535,110 |
| Total financial liabilities | <u>72,689,776</u> | <u>72,689,776</u> | <u>70,087,143</u> | <u>70,087,143</u> |

Financial assets and financial liabilities measured at fair value in the interim consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The net carrying amounts of cash, receivables, debenture receivable, advances to companies under common control, other advances receivable, bank loan, trade and other

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(Unaudited)

current liabilities are considered a reasonable approximation of fair value since all amounts are short-term in nature. The estimated fair value of the long-term debt was calculated based on the discounted value of future payments using interest rates that the Company could have obtained as at the reporting date for similar instruments with similar terms and maturities. The fair value of the long-term debt is equivalent to its carrying amount and is categorized in Level 2.

11. Segmental Information

Non-current assets are owned in the following countries:

| | <u>2019-03-31</u> | <u>2018-12-31</u> |
|--------|-------------------|-------------------|
| | \$ | \$ |
| Canada | 103,028,870 | 102,155,397 |

The rental income is 100% in Canada.

12. Subsequent Event

On January 15th, 2019, the Company refinanced loans payable of \$556,735 and convertible debentures of \$670,457 and extended their maturity date to March 31, 2019. The Company is currently in discussion with these loan and debenture holders to further extend these loans and debentures.