



PLATEAU
ENERGY METALS

CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 and 2018

Plateau Energy Metals Inc.

Stated in Canadian Dollars, unless otherwise noted

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements were prepared by the management of Plateau Energy Metals Inc., reviewed by the Audit Committee of the Board of Directors, and approved by the Board of Directors.

Management is responsible for the preparation of the consolidated financial statements and believes that they fairly represent the Company's financial position and the results of operations in accordance with International Financial Reporting Standards.

Management has included amounts in the Company's consolidated financial statements based on estimates, judgements, and policies that it believes reasonable in the circumstances.

To discharge its responsibilities for financial reporting and for the safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance that the assets are maintained and accounted for in accordance with its policies and that transactions are recorded accurately in the Company's books and records.

"Alex Holmes"

CEO

"Philip Gibbs"

CFO

Toronto, Ontario
January 24, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Plateau Energy Metals Inc.

Opinion

We have audited the consolidated financial statements of Plateau Energy Metals Inc., and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at September 30, 2019 and September 30, 2018 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2019 and September 30, 2018 and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates the existence of material uncertainties that may cast significant doubt about 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 Management's Discussion and Analysis.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
January 24, 2020
Toronto, Ontario

Plateau Energy Metals Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2019 and 2018

Stated in Canadian Dollars

	Note	September 30, 2019	September 30, 2018
Assets			
Current Assets			
Cash		\$ 1,167,651	\$ 690,033
HST receivable		85,167	55,779
Advances and deposits		33,103	-
Prepaid expenses		214,462	78,417
		1,500,383	824,229
Non-current Assets			
Property, plant and equipment		-	9,125
		\$ 1,500,383	\$ 833,354
Liabilities and Shareholders' Equity (Deficiency)			
Current Liabilities			
Accounts payable and accrued liabilities	8	\$ 1,085,229	\$ 1,461,509
Shareholders' Equity (Deficiency)			
Share capital	5	61,410,575	54,730,294
Warrants	6	1,318,499	563,805
Stock options	7	2,865,195	1,974,274
Contributed surplus		10,403,550	10,395,673
Cumulative translation reserve		(387,094)	(289,063)
Deficit		(75,195,571)	(68,003,138)
		415,154	(628,155)
		\$ 1,500,383	\$ 833,354

Note 1 – Nature of Operations and Going Concern

Note 14 – Events After the Reporting Date

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

Approved on behalf of the Board:

"Alan Ferry"

Director

"Wayne Drier"

Director

Plateau Energy Metals Inc.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

	Note	2019	2018
Expenses			
Corporate and administrative expenses		\$ 2,060,800	\$ 2,295,268
(Gain)/loss on foreign exchange		(4,907)	11,412
Gain on debt settled by shares	5	(76,054)	-
Share-based compensation	7	890,921	996,110
Exploration and evaluation	4	4,327,511	3,754,689
Gain on asset disposal		-	(8,948)
Interest income		(5,838)	(110)
Loss for the year		(7,192,433)	(7,048,421)
Other comprehensive loss for the year			
Items that may be reclassified to profit and loss:			
Currency translation adjustment		(98,031)	(311,190)
Total comprehensive loss for the year		\$ (7,290,464)	\$ (7,359,611)
Loss per share – basic and diluted		\$ (0.09)	\$ (0.11)
Weighted average number of common shares			
outstanding, basic and diluted		78,097,900	66,181,402

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

Plateau Energy Metals Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

	Common Stock				Contributed surplus	Cumulative translation reserve	Accumulated deficit	Total
	Shares	Amount	Warrants	Stock options				
October 1, 2018	71,620,208 \$	54,730,294 \$	563,805 \$	1,974,274 \$	10,395,673 \$	(289,063) \$	(68,003,138) \$	(628,155)
Common shares and warrants issued for cash (note 5, 6)	11,272,106	5,585,130	923,371	-	-	-	-	6,508,501
Issued to finders (note 5, 6)	-	-	71,120	-	-	-	-	71,120
Issuance costs (note 5, 6)	-	(481,711)	(80,637)	-	-	-	-	(562,348)
Warrants exercised (note 5, 6)	1,904,413	1,102,916	(151,283)	-	-	-	-	951,633
Warrants expired (note 6)	-	-	(7,877)	-	7,877	-	-	-
Shares issued for services (note 5)	745,658	473,946	-	-	-	-	-	473,946
Stock options granted (note 7)	-	-	-	890,921	-	-	-	890,921
Foreign currency translation adjustment	-	-	-	-	-	(98,031)	-	(98,031)
Net loss	-	-	-	-	-	-	(7,192,433)	(7,192,433)
September 30, 2019	85,542,385 \$	61,410,575 \$	1,318,499 \$	2,865,195 \$	10,403,550 \$	(387,094) \$	(75,195,571) \$	415,154
October 1, 2017	58,043,354 \$	48,856,290 \$	316,647 \$	1,275,644 \$	10,162,810 \$	22,127 \$	(60,954,717) \$	(321,199)
Common shares and warrants issued for cash (note 5, 6)	10,169,994	3,628,773	673,224	-	-	-	-	4,301,997
Issued to finders (note 5, 6)	308,900	131,736	11,330	-	-	-	-	143,066
Issuance costs (note 5, 6)	-	(169,721)	(31,909)	-	-	-	-	(201,630)
Warrants exercised (note 5, 6)	2,760,460	2,033,204	(385,592)	-	-	-	-	1,647,612
Warrants expired (note 6)	-	-	(19,985)	-	19,895	-	-	-
Stock options exercised (note 5, 7)	337,500	250,012	-	(84,512)	-	-	-	165,500
Stock options granted (note 7)	-	-	-	996,110	-	-	-	996,110
Stock options expired (note 7)	-	-	-	(212,968)	212,968	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	(311,190)	-	(311,190)
Net loss	-	-	-	-	-	-	(7,048,421)	(7,048,421)
September 30, 2018	71,620,208 \$	54,730,294 \$	563,805 \$	1,974,274 \$	10,395,673 \$	(289,063) \$	(68,003,138) \$	(628,155)

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

Plateau Energy Metals Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

	Note	September 30, 2019	September 30, 2018
Cash Flows from Operating Activities			
Net loss for the year		\$ (7,192,433)	\$ (7,048,421)
Items not affecting cash:			
Gain on debt settled by shares		(76,054)	-
Depreciation expense		-	2,139
Loss on disposal of fixed assets		9,125	-
Share-based compensation		890,921	996,110
		(6,338,441)	(6,050,172)
Net changes in non-cash working capital			
HST receivable		(29,388)	(18,810)
Advances and deposits		(33,103)	-
Prepaid expenses		(136,045)	23,102
Accounts payable and accrued liabilities		173,720	853,325
		(6,393,257)	(5,192,555)
Cash Flows from Financing Activities			
Issuance of share capital		6,508,501	4,301,997
Warrants exercised		951,633	1,647,612
Stock options exercised		-	165,500
Share issuance costs		(491,228)	(58,564)
		6,968,906	6,056,545
Effect of exchange rate changes on cash and cash equivalents		(98,031)	(311,190)
Change in cash and cash equivalents		477,618	552,800
Cash and cash equivalents – beginning of year		690,033	137,233
Cash and cash equivalents – end of year		\$ 1,167,651	\$ 690,033
Supplemental Cash Flow Information			
Non-cash working capital			
Interest received		\$ 5,838	\$ 110
Shares issued for services in accounts payable	5	550,000	-

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

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

Plateau Energy Metals Inc. (formerly Plateau Uranium Inc.) (the "Company") is a publicly listed company incorporated under the *Business Corporations Act* (Ontario). The Company's common shares are listed on the TSX Venture Exchange (TSX-V: PLU).

The registered address, principal address and records office of the Company is located at 141 Adelaide Street West, Suite 340, Toronto, Ontario, M5H 3L5.

The Company is in the process of exploring and developing its mineral resource properties located in Peru. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The realization of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to develop these properties, and future profitable production or proceeds of disposition from these properties. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. During the year ended September 30, 2019, the Company incurred a comprehensive loss of \$7,192,433 (2018 – \$7,359,611), and as of that date, the Company had a working capital balance of \$415,154 (2018 – deficit of \$637,280). The Company will periodically need to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. Should the Company be unsuccessful in doing so, there is a significant doubt about the Company's ability to continue as a going concern, and therefore, a material uncertainty exists in relation to the going concern assumption.

2. BASIS OF PRESENTATION

These audited consolidated financial statements include the accounts of the Company and its 100% controlled subsidiary, Macusani Yellowcake S.A.C. ("Macusani Peru"). On October 1, 2018, the Company's other subsidiaries, Exploraciones Macusani SAC ("Exploraciones Macusani") and Minergia SAC ("Minergia") were merged with and absorbed by Macusani Peru. The merger had no impact on the Company's financial position as at and for the year ended September 30, 2019. All intercompany accounts and transactions have been eliminated.

a. Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

On January 24, 2020, the Board of Directors approved these statements.

b. Basis of measurement

The Company's consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

2. BASIS OF PRESENTATION (CONTINUED)

c. Functional and presentation currency

These consolidated financial statements are presented in Canadian Dollars. The functional currency of the Company is the Canadian Dollar. The functional currency of Macusani Peru is the United States Dollar.

d. Segmented reporting

The Company is organized into business units based on its mineral properties and has one reportable operating segment, being the acquisition and exploration and evaluation of mineral properties in Peru. With virtually all of the Company's assets being devoted to the acquisition and exploration and evaluation of its mineral properties, the assets of the Company form a single cash generating unit ("CGU").

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

a. Foreign currency

Items included in the consolidated financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The Company translates monetary assets and liabilities at the rate of exchange in effect at the balance sheet date and non-monetary assets and liabilities at historical exchange rates. Income and expenses are translated at average rates when they occur. Gains and losses on translation are recorded in the statement of loss and comprehensive loss.

Foreign operation translation

On consolidation, the Company translates the assets and liabilities of Macusani Peru at the rate of exchange in effect at the balance sheet date. Income and expenses are translated at the rate of exchange prevailing at the date of the transaction. All resulting exchange differences are recognized in other comprehensive income and accumulated in a separate component of shareholders' equity called cumulative translation reserve.

Any monetary items represented by amounts receivable or payable between the Company and any of its foreign subsidiaries are considered part of the Company's net investment in the subsidiary. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

b. Cash

Cash and cash equivalents includes cash at banks. The majority of the Company's cash and cash equivalents funds are held in Canada.

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Property, plant and equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. Depreciation is provided over the estimated useful lives of the assets on the following basis and rates per annum:

Furniture and equipment:	20% declining balance
Leasehold improvements:	18 months on a straight-line basis
Exploration equipment:	20% declining balance

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the consolidated statement of loss and comprehensive loss as incurred.

An item of property, plant and equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss for the period.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property, plant and equipment and any changes arising from the assessment are applied by the Company prospectively.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

d. Exploration and evaluation expenditures

Acquisition costs and exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision to proceed with mine development are expensed as incurred. Once a project has been established as commercially viable and technically feasible and a decision has been made to proceed with mine development, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to incremental future benefit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

f. Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on the differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax value, using the substantively enacted tax rates expected to apply when these temporary differences are reversed. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

Deferred tax liabilities are recognized for all temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

g. Share-based payments

Equity-settled share-based payments to employees (including directors and senior executives) and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of the share-based payment is measured by reference to the fair value of the equity instrument granted, which in turn is determined using the Black-Scholes option-pricing model on the date of the grant, with management's assumptions for the risk-free rate, dividend yield, the expected volatility of the price of the Company's shares based on the historical volatility of the price of the Company's common shares, and the expected life of the options.

The fair value of the equity-settled share-based payments is expensed over the period in which the performance and/or service conditions are fulfilled, ending on the date in which the grantee becomes fully entitled to the award, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g Share-based payments (continued)

Vesting assumptions are reviewed at each reporting date to ensure they reflect current expectations. The Company considers the likely forfeiture rate in considering the fair value and uses the accelerated vesting methodology to expense the fair value of the share-based payments.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

In certain cases, the Company will issue shares to settle debt. The value of the shares based to settle the debts is measured at the fair value of the shares on the date of grant.

h. Decommissioning liabilities

The Company's mining exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. The Company has made, and intends to make in the future, expenditures to comply with such laws and regulations or constructive obligations.

Accrued site closure costs are recorded at the time an environmental disturbance occurs, and are measured at the Company's best estimate of the expected value of future cash flows required to reclaim the disturbance upon site closure, discounted to their net present value. The net present value is determined using a pre-tax discount rate that is specific to the liability. The estimated net present value is re-measured on an annual basis or when changes in circumstances occur and/or new material information becomes available. Increases or decreases to the provision arise due to changes in legal or regulatory requirements, the extent of environmental remediation required and cost estimates. The net present value of the estimated costs of these changes is recorded in the period in which the change is identified and quantifiable.

Upon initial recognition of site closure costs, there is a corresponding increase to the carrying amounts of related assets and the cost is amortized as an expense on a unit-of-production basis over the life of the related assets. The value of the provision is progressively increased over the life of the operation as the effect of discounting unwinds, such increase is recognized as interest expense.

As at September 30, 2019, the Company has not incurred and is not committed to any decommissioning obligations in respect of its mineral exploration properties.

i. Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognized as a finance lease obligation within long-term debt.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

k. Other comprehensive income

Other comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit or loss such as foreign currency gains or losses related to translation of the financial statements of foreign operations. The Company's comprehensive income, components of other comprehensive income, and cumulative translation adjustments are presented in the consolidated statements of loss and comprehensive loss and the consolidated statements of changes in equity, net of tax.

l. Loss per share

Loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

During the years ended September 30, 2019 and 2018, all the outstanding stock options and warrants were anti-dilutive.

m. Related party transactions

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

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Financial instruments

Effective October 1, 2018, the Company has adopted IFRS 9 – *Financial Instruments*. IFRS 9 provides three different measurement categories for non-derivative financial assets – subsequently measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income – while all non-derivative financial liabilities are classified as subsequently measured at amortized cost. The category into which a financial asset is placed, and the resultant accounting treatment, is largely dependent on the nature of the business of the entity holding the financial asset. All financial instruments are initially recognized at fair value.

The implementation of the new standard has not had a material impact on the measurement of the Company's reported financial results; however additional disclosures have been provided.

Under IFRS 9, the Company's accounting policy for financial instruments is as follows:

Financial assets

The Company initially recognizes financial assets on the trade date, which is the date upon which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies all of its non-derivative financial assets as subsequently measured at amortized cost. All financial assets that do not meet the criteria to be recognized as subsequently measured at amortized cost or subsequently measured at fair value through other comprehensive income are classified as fair value through profit or loss ("FVTPL").

Financial liabilities

The Company measures all of its non-derivative financial liabilities as subsequently measured at amortized cost. Non-derivative financial liabilities are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method.

A comparison between the classification of the Company's financial instruments under the previous standard, IAS 39, and the new standard is as follows:

	Classification category		Measurement category	
	Original (IAS 39)	New (IFRS 9)	Original (IAS 39)	New (IFRS 9)
Financial instruments				
Assets				
Cash and cash equivalents	FVTPL	Amortized cost	FVTPL	Amortized cost
Liabilities				
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Amortized cost	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

p. Valuation of equity instruments in private placements

The Company employs a relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued using the Black-Scholes option pricing model with reference to the share price at the time of financing. The shares are valued based on the quoted market price. The proceeds from the issuance units as well as the associated issuance costs are allocated pro-rata between share capital and reserve for warrants. When warrants are exercised, the applicable amounts of reserve for warrants are transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For warrants that expire unexercised, the recorded value is transferred to contributed surplus.

q. Critical accounting judgments and estimation uncertainties

The preparation of the consolidated financial statements in conformity with IFRS requires the Company's management to make critical judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates are accounted for prospectively.

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Critical accounting estimates relate to the following:

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. If the Company does not have title to its mineral properties, there will be adverse consequences to the Company and its business prospects.

Exploration and Evaluation Expenditures

The Company charges all exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources to operations as incurred. Determination of technical feasibility and commercial viability require the use of judgements, estimates and assumptions which may differ under varying conditions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Critical accounting judgments and estimation uncertainties (continued)

Share-based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in notes 6 and 7.

Bifurcation of Unit Proceeds

The Company employs a relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The amounts used to estimate fair values of warrants issued are based on estimates of future volatility of the Company's share price, expected lives of the warrants, expected dividends to be paid by the Company and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements of future periods could be significant.

The assumptions and models used for estimating fair value for warrants are disclosed in note 6.

r. Future accounting changes

IFRS 16 – *Leases* is effective for periods beginning on or after January 1, 2019 and replaces IAS 17 – *Leases*. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an optional exemption for lessees for certain short-term leases and leases of low value assets.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and obtain substantially all the economic benefits from that use.

The Company has not yet completed its evaluations of the effect of adopting the new leasing standard; however management does not believe the new standard will have a significant impact on the financial position and results of the Company.

Plateau Energy Metals Inc.

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4. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

The Company is principally engaged in exploration for uranium on its properties located in the Macusani plateau region of Peru. As at September 30, 2019, the Company, through its Peruvian subsidiary, held a total of 151 mining concessions covering an aggregate area of approximately 93,000 hectares.

As at September 30, 2019, thirty-two (32) of the 151 mining concessions, covering an area of approximately 23,100 hectares, are the subject of administrative and judicial procedures in Peru as a result of resolutions (the "Admin Resolutions") issued by the Institute of Geology, Mining and Metallurgy ("INGEMMET") and later upheld by the Mining Council of the Ministry of Energy and Mines ("MINEM") which recommended cancellation of the validity of the concessions. Refer to note 14 "Events after the reporting date" for additional information.

The Company has assigned the various concessions to different property groups based on their geographic location for the purposes of allocating annual property expenditures. Property expenditures, including depreciation of exploration equipment, for the years ended September 30, 2019 and 2018 are as follows:

Exploration spend by property

	2019	2018
Macusani – East	\$ 1,395,424	\$ 1,713,467
Macusani – West	202,812	167,691
Corachapi	173,616	150,267
Kihitian	12,760	29,263
Minergia	-	9,872
Quelcaya	408,094	30,318
Chacaconiza	2,134,805	1,653,811
	\$ 4,327,511	\$ 3,754,689

5. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends if and when declared, and to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the year ended September 30, 2019, the Company:

Issued 1,904,413 shares upon the exercise of share purchase warrants at an exercise price of \$0.50 per share.

Issued 633,333 shares with a value of \$0.61 per share in settlement of bonuses totaling \$475,000. The Company realized a gain of \$88,667 upon settlement of this transaction.

Issued 112,325 shares with a value of \$0.78 per share in settlement of fees for services amounting to \$75,000. The Company realized a loss of \$12,613 upon the settlement of this transaction.

Issued 5,272,106 units pursuant to a brokered private placement for cash proceeds of \$5,008,500. Each unit consisted of one common share and one half-warrant, with each full warrant exercisable at a price of \$1.25 for one common share for a period of 18 months. An amount of \$728,212 was allocated to the warrants. In connection with the offering, the Company incurred fees of \$429,349 and issued 185,574 finders warrants with a fair value of \$59,355. Issuance costs of \$71,055 were allocated to warrants.

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5. SHARE CAPITAL (CONTINUED)

Issued 6,000,000 units pursuant to a brokered private placement for cash proceeds of \$1,500,000. Each unit consisted of one common share and one half-warrant, with each full warrant exercisable at a price of \$0.50 for one common share for a period of 24 months. An amount of \$195,159 was allocated to the warrants. In connection with the offering, the Company incurred fees of \$61,878 and issued 157,320 finders warrants with a fair value of \$11,765. Issuance costs of \$9,581 were allocated to warrants.

During the year ended September 30, 2018, the Company:

Issued 1,782,544 shares upon the exercise of share purchase warrants at an exercise price of \$0.65 per share and 977,916 shares upon the exercise of share purchase warrants at an exercise price of \$0.50.

Issued 5,999,997 units pursuant to a private placement for cash proceeds of \$1,799,999. Each unit consisted of one common share and one half-warrant, with each full warrant exercisable at a price of \$0.50 for one common share for a period of 18 months. An amount of \$295,564 was allocated to warrants. In connection with the offering, the Company, incurred professional and regulatory fees of \$43,194, and issued 183,800 finders shares with a fair value of \$68,006. Issuance costs of \$18,259 were allocated to warrants.

Issued 4,169,997 units pursuant to a private placement for cash proceeds of \$2,501,998. Each unit comprised one common share and one-half warrant, with each full warrant exercisable at \$0.90 for one common share for a period of 36 months. An amount of \$377,660 was allocated to warrants. In connection with the offering, the Company, incurred professional and regulatory fees of \$15,370, and issued 125,100 finders shares and 62,550 finders' warrants with a fair value of \$75,060 of which \$11,030 was allocated to warrants. Issuance costs of \$2,620 were allocated to warrants.

6. WARRANTS

A continuity of outstanding share purchase warrants is as follows:

	Number of warrants	Amount	Weighted Average Exercise Price
Balance, September 30, 2017	1,902,044	\$ 316,647	\$ 0.65
Exercised	(2,760,460)	(385,592)	(0.60)
Issued for cash	5,084,993	673,224	0.66
Issued to finders	62,550	11,330	0.90
Expired	(119,500)	(19,895)	(0.65)
Issuance costs	-	(31,909)	-
Balance, September 30, 2018	4,169,627	\$ 563,805	\$ 0.71
Exercised	(1,904,413)	(151,283)	(0.50)
Issued for cash	5,636,053	923,371	0.85
Issued to finders	342,894	71,120	0.74
Expired	(117,666)	(7,877)	(0.50)
Issuance costs	-	(80,637)	-
Balance September 30, 2019	8,126,495	\$ 1,318,499	\$ 0.86

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6. WARRANTS (CONTINUED)

During the year ended September 30, 2019, the Company:

Issued 3,000,000 warrants and 157,320 finders warrants in connection with a private placement. Each warrant entitles the holder to purchase one common share at a price of \$0.50 per share at any time until September 17, 2021. The relative fair value of the warrants was estimated to be \$195,159. The Black-Scholes pricing model assumptions are as follows:

Share price	\$0.25
Expected life	2.0 years
Risk-free interest rate	1.6 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	89 %

Issued 2,636,053 warrants and 185,574 finders warrants in connection with a private placement. Each warrant entitles the holder to purchase one common share at a price of \$1.25 per share at any time until May 1, 2020. The broker warrants have an exercise price of \$0.95. The relative fair value of the warrants was estimated to be \$728,212. The Black-Scholes pricing model assumptions are as follows:

Share price	\$0.94
Expected life	18 Months
Risk-free interest rate	1.6 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	89 %

During the year ended September 30, 2018, the Company:

Issued 2,999,995 warrants in connection with a private placement. Each warrant entitles the holder to purchase one common share at a price of \$0.50 per share at any time until May 8, 2019. The relative fair value of the warrants was estimated to be \$295,564. The Black-Scholes pricing model assumptions are as follows:

Share price	\$0.37
Expected life	18 Months
Risk-free interest rate	1.4 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	102 %

Issued 2,084,998 warrants and 62,250 finders' warrants in connection with a private placement. Each warrant entitles the holder to purchase one common share at a price of \$0.90 per share at any time until May 25, 2021. The warrants may be subject to early acceleration, at the option of the company, in the event that the price of the common shares exceeds \$1.20 after four months and one day from the original date of issuance. The relative fair value of the warrants was estimated to be \$377,660. The Monte Carlo pricing model assumptions are as follows:

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6. WARRANTS (CONTINUED)

Share price	\$0.90
Expected life	36 Months
Risk-free interest rate	2.6 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	90 %

At September 30, 2019, the following warrants were outstanding:

<u>Expiry date</u>	<u>Exercise price (CAD)</u>	<u>Number outstanding</u>
May 1, 2020	\$ 1.25	2,636,053
May 1, 2020	0.95	185,574
May 25, 2021	0.90	2,084,998
May 25, 2021	0.90	62,550
September 17, 2021	0.50	3,000,000
September 17, 2021	0.50	157,320
		<u>8,126,495</u>

7. STOCK OPTIONS

- Pursuant to the stock option plan (the "Plan") adopted by the Company, the Board of Directors may, from time to time at its discretion, allocate non-transferable options to purchase shares to directors, officers, employees and consultants of the Company, and its subsidiaries. Under the Plan, the aggregate number of shares to be issued upon the exercise of outstanding options granted thereunder may not exceed 10% of the number of issued and outstanding common shares. Expiry dates and exercise prices shall be determined by the Board of Directors. The exercise price shall not be less than the market price.
- During the year ended September 30, 2019, the Company:

Granted 400,000 options to a director and officer of the Company, each option exercisable at any time up to January 9, 2024 to acquire one common share at a price of \$0.81. The options vest as to 50% on each of the one year and two year anniversaries of the grant date. The fair value of the options was estimated at \$0.7205 per option, for a total value of \$288,190 of which \$156,925 was expensed in 2019. The fair value of the options was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Share price	\$0.73
Expected life	5 years
Risk-free interest rate	1.9 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	222 %
Forfeiture	0 %

Plateau Energy Metals Inc.

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7. STOCK OPTIONS (CONTINUED)

Granted 1,075,000 options to directors, officers, employees and consultants of the Company, each option exercisable at any time up to April 23, 2024 to acquire one common share at a price of \$0.65. The options vest as to one third on each of the 6, 12 and 18 month anniversaries of the grant date. The fair value of the options was estimated at \$0.5125 per option, for a total value of \$528,909 of which \$281,267 was expensed in 2019.

Share price	\$0.52
Expected life	5 years
Risk-free interest rate	1.6 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	221 %
Forfeiture	4 %

- c. During the year ended September 30, 2018, the Company:

Issued 970,000 stock options to directors, officers, consultants and employees. The options vest as to one-third immediately and one third on each of the six and twelve month anniversaries of the grant date. Each option entitles the holder to purchase one common share at a price of \$0.96 per share at any time prior to January 9, 2023 (the "expiry date"). The fair value of the options was estimated at \$0.8905 per option, for a total value of \$863,760.

The fair value of the options was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Share price	\$0.90
Expected life	5 years
Risk-free interest rate	1.8 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	228 %
Forfeiture	0 %

Issued 500,000 stock options to a director and officer. The options vest as to 50% on the one year anniversary and 50% on the two year anniversary of the grant date. Each option entitles the holder to purchase one common share at a price of \$1.14 per share at any time prior to August 17, 2023 (the "expiry date"). The fair value of the options was estimated at \$1.1667 per option, for a total value of \$583,350.

The fair value of the options was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Share price	\$1.18
Expected life	5 years
Risk-free interest rate	1.5 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	225 %
Forfeiture	0 %

Plateau Energy Metals Inc.

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7. STOCK OPTIONS (CONTINUED)

- c. During the year ended September 30, 2018, the Company (continued):

Stock option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

- d. A continuity of outstanding stock options is as follows:

	Number of Options	Amount	Weighted Average Exercise Price
September 30, 2017	5,419,375	\$ 1,275,644	\$ 0.55
Granted in prior years	-	212,021	0.57
Granted in current year	1,470,000	784,089	0.96
Exercised	(337,500)	(84,512)	(0.49)
Expired	(238,125)	(212,968)	(1.20)
September 30, 2018	6,313,750	1,974,274	0.56
Granted in prior years	-	452,729	1.02
Granted in current year	1,475,000	438,192	0.69
September 30, 2019	7,788,750	\$ 2,865,195	\$ 0.64

At September 30, 2019, the following stock options were outstanding:

Expiry date	Exercise price (CAD)	Number outstanding
November 6, 2019	\$ 0.56	875,000
November 30, 2020	0.56	248,750
July 28, 2021	0.35	2,340,000
April 27, 2022	0.72	1,380,000
January 9, 2023	0.96	970,000
August 17, 2023	1.14	500,000
January 9, 2024	0.81	400,000
April 23, 2024	0.65	1,075,000
		7,788,750

As at September 30, 2019, the total number of options exercisable is 6,063,750 with a weighted average exercise price of \$0.60.

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8. RELATED PARTY DISCLOSURES

During the year ended September 30, 2019, the Company carried out the following transactions with related parties:

	2019	2018
Directors' fees paid	\$ 48,000	\$ 48,000
Consulting and management fees paid to directors and officers	437,424	420,033
Rent paid to a company in which an officer of the Company is an officer	16,500	30,000
Storage rental paid to a company controlled by a director	22,140	22,008

During the year ended September 30, 2019, the Company granted 1,100,000 (2018 – 945,000) stock options to management and directors. Included in share-based compensation for the year ended September 30, 2019 is \$778,761 (2018 – \$512,845) related to stock options granted to management and directors. As at September 30, 2019, accounts payable and accrued liabilities included \$119,823 (2018 – \$836,979) related to various related parties disclosed above, of which \$nil related to accrued bonuses (2018 – \$675,000). The 2018 bonus of \$675,000 was paid in 2019 via cash of \$300,000 and 533,333 shares issued with a total value of \$375,000. The Company recognized a gain of \$70,000 on the settlement of the amount payable.

Total compensation of \$1,326,223 (2018 – \$1,553,246) comprising bonuses of \$nil (2018 – \$675,000), salaries of \$200,000 (2018 – \$25,000), consulting fees of \$437,424 (2018 – \$420,033) and share-based payments of \$688,799 (2018 – \$433,213) was paid to the Company's key members of management during the year ended September 30, 2019.

9. INCOME TAXES

a. Income tax expense

The following table reconciles income taxes calculated at combined Canadian federal/provincial tax rates with the income tax recovery in the consolidated financial statements:

	2019	2018
Loss before income taxes	\$ (7,192,433)	\$ (7,048,421)
Statutory tax rate	26.50%	26.50%
Expected income tax recovery	(1,905,995)	(1,867,832)
Effect of tax rates in foreign jurisdictions	(104,283)	(102,142)
Expected recovery at statutory rate	(2,010,278)	(1,969,974)
Non-deductible expenses	242,293	262,080
Share issuance costs and other	(127,072)	(12,416)
Prior year tax adjustment	224,925	-
Change in tax rate	-	-
Change in deferred taxes not recognized	1,670,133	1,720,310
Net expected deferred income tax recovery	\$ -	\$ -

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9. INCOME TAXES (CONTINUED)

b. Deferred taxes

Deferred tax assets have not been recognized in respect of the following items because it is not probable the future taxable profit will be available against which the Company can use the tax benefits therefrom:

Deferred Tax Assets

	2019	2018
Resource properties	\$ 11,335,528	\$ 10,333,663
Transaction costs	144,886	155,791
Amounts related to tax loss and credit carry forwards	13,859,442	13,249,200
Share issuance costs	139,635	67,602
	25,479,491	23,806,256
Deferred taxes not recognized	(25,479,491)	(23,806,256)
Net deferred tax assets	\$ -	\$ -
Net deferred liabilities	\$ -	\$ -

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred income tax liabilities result primarily from amounts not deductible for accounting purposes until future periods. Deferred income tax assets result primarily from operating tax loss carry forwards and have been offset against deferred income tax liabilities.

c. Loss carry forwards

The Company has non-capital losses of approximately \$50,351,292 available for carry forward. Potential income tax benefits of the losses have not been recorded in the financial statements. These losses expire as follows:

2026	\$ 11,448,413
2027	2,875,150
2028	2,601,330
2029	3,060,285
2030	1,567,145
2031	1,966,602
2032	1,844,968
2033	1,143,333
2034	1,082,694
2035	3,328,405
2036	2,221,321
Indefinite	17,211,646
	<u>\$ 50,351,292</u>

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10. FINANCIAL INSTRUMENTS

Fair Values

The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company is not exposed to any significant credit risk as at September 30, 2019. The Company's cash and cash equivalents are on deposit with a highly rated banking group in Canada.

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they come due. The Company's approach to managing and mitigating liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due through management's use of financial forecasts and budgets. As at September 30, 2019, the Company has current assets of \$1,500,383 and current liabilities of \$1,085,229. All of the Company's current financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. The Company's working capital is \$415,154 as at September 30, 2019. The Company intends to address its working capital needs through private placements.

Market risk

(i) Interest rate risk

The Company has cash and cash equivalents balances and does not have any interest-bearing debt and is not subject to significant interest rate risk.

(ii) Foreign currency risk

The Company and its subsidiaries incur significant purchases denominated in currencies other than the presentation currency, the Canadian dollar, and are subject to foreign currency risk on assets and liabilities denominated in currencies other than the Canadian dollar. As at September 30, 2019, the Company had cash of US \$111,095 and accounts payable and accrued liabilities of US \$53,510. As at September 30, 2019, the Company had cash of 4,460 Peruvian New Sols and accounts payable and accrued liabilities of 1,326,904 Peruvian New Sols. As at September 30, 2019, the Company also had accounts payable and accrued liabilities of 14,194 British pound sterling, 177,003 Australian dollars and 146,853 South African rand. The Company does not hedge its foreign currency balances.

Sensitivity analysis

The Company's management believes the following movements are "reasonably possible" over a three month period based on their knowledge and experiences of the financial markets.

If the Canadian dollar weakens (or strengthens) 10% against the United States dollar with other variables held constant, the Company's net loss would decrease (or increase) by approximately \$6,932. If the Canadian dollar weakens (or strengthens) 10% against the Peruvian New Sol with other variables held constant, the Company's net loss would increase (or decrease) by approximately \$47,452. If the Canadian dollar weakens (or strengthens) 10% against the British pound sterling, Australian dollar or South African rand, the Company's net loss would increase (or decrease) by approximately \$2,102, \$14,387 and \$1,166, respectively.

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11. CAPITAL DISCLOSURES

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plans. At September 30, 2019, the Company's capital consists of shareholders' equity of \$415,154 (2018 – deficit of \$628,155).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

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 does not have any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year ended September 30, 2019.

12. SEGMENT REPORTING

The Company is organized into business units based on its mineral properties and has one reportable operating segment, the acquisition and exploration and evaluation of mineral properties in Peru.

	Canada	Peru
As at and for the year ended September 30, 2019		
Accounts payable and accrued liabilities	\$ 533,098	\$ 552,131
Loss for the year	3,716,324	3,476,109
As at and for the year ended September 30, 2018		
Property, plant and equipment	\$ -	\$ 9,125
Accounts payable and accrued liabilities	1,239,896	221,613
Loss for the year	3,643,658	3,404,763

13. ENVIRONMENTAL AND CONSTRUCTIVE OBLIGATIONS

The Company's mining and exploration activities are governed by Peruvian Legislative Decree No. 613. The Company is required to present environmental studies on the impact of its exploration and mining operations to the Ministry of Energy and Mines. The Company may also provide financial assistance to local communities to facilitate relationships.

To date, the Company has not incurred any significant environmental or constructive liabilities.

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2019 and 2018

Stated in Canadian Dollars

14. EVENTS AFTER THE REPORTING DATE

Subsequent to September 30, 2019:

On October 15 and 24, 2019, a court in Peru admitted the “Demanda Contencioso Administrativa” (the “Contentious-Administrative Filing”) submitted by Macusani, which commenced the judicial procedure in adherence with the prescribed deadline (3 months). The objective of the Contentious-Administrative Filing is to seek the annulment of the Admin Resolutions, which declared invalid Macusani’s title to 32 of the concessions, and permanently restore the title, rights and validity. A date for a hearing in the first instance has not yet been set.

Macusani is also pursuing relief under the administrative process. Discussions with various levels of government, including delegates from INGEMMET and MINEM, continue and the Company will continue to pursue this avenue as the preferable method for resolution of this issue.

The Company believes Macusani will ultimately be successful in its efforts to resolve this dispute, but if it is not, it may lose title to the 32 concessions in question.